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# Giving in Transition and Transitions in Giving

Philanthropy in Egypt, Libya and Tunisia 2011-2013



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# Contents

1) Introduction .....	6
2) Chapter 1: Egypt .....	14
2.1) Introduction.....	15
2.1.1) Mass Mobilization and a Rethinking of Egyptian Philanthropy .....	15
2.1.2) Methodology and Challenges.....	15
2.2) Institutional Philanthropy, the Regulatory Environment and Definitional Confusion.....	15
2.3) A Leap of Faith: Citizen Philanthropy and an Interfaith Movement.....	17
2.3.1) Institutionalized Philanthropy and Mixed Responses.....	18
2.3.2) Youth, Informal Philanthropy and the Egyptian Awakening .....	22
2.4) Financing Philanthropy and Restrictions to the Sector .....	25
2.4.1) Financial Models and the Question of Sustainability .....	25
2.4.2) Restrictions to the Sector.....	26
2.5) Conclusion .....	27
3) Chapter 2: Libya .....	30
3.1) Introduction .....	31
3.2) Political Development in Post-Revolution Libya.....	31
3.2.1) Libya under Gaddafi.....	31
3.2.2) The Political Scene in 2011.....	32
3.2.3) Political Development under the February 17 Revolution.....	32
3.3) The Regulation of Civil Society and Cooperation with the NTC .....	33
3.4) Philanthropy in Focus.....	34
3.4.1) Philanthropy in Pre-Revolutionary Libya.....	34
3.4.2) Philanthropy under Gaddafi.....	34
3.4.3) The Philanthropy Revolution.....	35
3.4.4) The Phases of Philanthropy.....	36
3.5) Funding Sources of Civil Society Organizations.....	40
3.5.1) First: In-House Philanthropy.....	40
3.5.2) Second: Overseas Philanthropy.....	40
3.6) The Role of Libyan Youth.....	41
3.6.1) Sacrifice and Public Participation.....	42
3.6.2) Trust.....	42
3.6.3) Politicized Tribalism.....	42
3.6.4) Gaddafi's Legacy and a Culture of Exclusion.....	42
3.7) A Glimpse into the Future of Philanthropy in Post-Revolution Libya.....	43
4) Chapter 3: Tunisia .....	46
4.1) Introduction .....	47
4.1.1) Scholarly Literature on Philanthropy.....	47
4.1.2) Mapping Concepts and Definitions.....	48
4.2) Historical Transformations in the Tunisian Philanthropic Landscape.....	49
4.2.1) Religious Origins of Philanthropy.....	49
4.2.2) Philanthropy and the Historical Development of Charities in Tunisia.....	49
4.3) Legal and Organizational Contexts of Tunisian Philanthropy .....	50
4.3.1) Framework of Philanthropy in Tunisia.....	50
4.3.2) Funding Resources for Philanthropy.....	52
4.3.3) Philanthropic Organizations before the Revolution.....	53
4.4) The Tunisian Philanthropic Landscape Post Ben Ali.....	54
4.4.1) The Political, Social and Economic Scope.....	54
4.4.2) Development in Numbers, Categories and Geographical Distribution.....	56
4.4.3) Tunisian Philanthropy in the Transitional Period.....	57
4.5) Conclusion.....	58
4.6) References.....	61
5) Authors' Biographies: .....	62

## Introduction

### Giving in Transition and Transitions in Giving: Philanthropy in Egypt, Libya and Tunisia 2011-2013

The many seasons of the Arab Spring have contributed to shaping, changing and coloring this publication. What started in late 2011 as a rapid scan of practices of local philanthropy in three Arab countries, then setting out on hopeful political transitions, became a protracted series of shifts in its own right. As events lurched ahead, forms of giving expanded, retrenched or paused depending on the trajectory of political developments and popular sentiment. Over many drafts, we came to realize that capturing important features of emerging philanthropy required us to encounter it afresh in a different territory, namely, a study of philanthropy in becoming and in revolution. Within this territory, the mega philanthropists, contrary to what would be expected, are not necessarily the people writing the script or defining the landscape of giving in the region. Instead, whatever script they had in mind is now somewhat sidelined, made to fit within a larger story that has not yet reached its finale. That story is about the ongoing mobilization of millions of citizens on a quest for freedom, social justice and dignity, a rapidly changing sociopolitical environment, unwelcome regulatory changes, as well as economic uncertainties and restrictions, all in the midst of a general lack of clarity of vision – or starkly competing visions -- in the region. This introduction reflects on both the process of developing the scanning report as well as some of its content. Much of the analysis provided here is still valid but some has become part of our collective memory as new factors have emerged to change that landscape and to alter our perceptions.. By the time this reaches print, no doubt further shifts will have become apparent. Still we believe it is useful to try to capture a moving and evolving landscape now, in order to better understand what is to come.

Analysis of practices of giving and mobilization of funds typically focus on institutions, taking for granted the fact that philanthropy, in its very essence, is about people and their “desire to promote the welfare of others, expressed especially by the generous donation of money to good causes” as defined by the Oxford Dictionary, or as the working definition within the field itself is often encapsulated: Philanthropy is private resources mobilized for the public good. In Tunisia, Egypt, and Libya, as people’s needs and impulses to give changed in response to the ongoing revolutionary fervor, so did our analysis.

Philanthropy in the region had gone through a long slumber, when enduring autocracies were in place as well as abiding traditions of individual charitable philanthropy. This “comfortably numb” landscape was shaken to its very foundations by the launch of waves of mass mobilization across the region. As people mobilized, resources and funds were mobilized as well, and from then on, a number of shifts in the shape of giving for public benefit took place. Individual and informal/non-institutionalized philanthropy spontaneously grew, while many legal frameworks became obsolete and some institutional philanthropy faltered. The baggage of years gone-by and a history of restrictions weighed heavily on them during the Arab Awakening. Political censorship under the old regimes had been internalized as self-censorship and when the Arab Awakening broke out, institutional philanthropy struggled to keep up with the pace of change. Meanwhile, informal philanthropy thrived in the uncertain but mobilized atmosphere prevailing post-uprising.

In 2012 we began with the premise, “The Arab Awakening was an awakening of philanthropy – but in a more activist mode” wherein new forms of philanthropy were linked to citizen engagement. While the link holds true, and many citizens are seeking ways to mobilize the resources needed to achieve their aspired social projects, the statement was misleading. An awakening of philanthropy in general did not happen; in fact substantial wealth left these countries, few new formal foundations have yet emerged, and existing organizations are still engaged in a slow process of adjusting to a changed environment.

The initial popular optimism unleashed when the old regimes fell turned out to be miscalculated. The winding paths from 2011 to 2013 have witnessed setbacks and disappointments. Many of the hopes and promises that were raised in 2011 remain unfulfilled and elusive for those who imagined open and dynamic reform of their societies would come rapidly. Thus, in this publication we explore how shifts in the sociopolitical environment manifested themselves in the philanthropic realm during an uncertain mid-point in the transitions. To what extent have both institutional and informal philanthropy evolved to keep up with the pace of escalating needs and expectations of the people? As those shifts continue in all three countries, with variations to be explored in each country chapter, the report encourages actors in the sector to take bolder steps from diagnostics to action. The opportunities and dangers of the present

moment require larger steps from reactive philanthropy to a philanthropic renaissance guided by new vision. What the philanthropic landscape will look like in 2015 is our responsibility and our choice.

### *At the Crossroads between the Private and the Public: "Philanthropy" and Definitional Confusion*

Clear thinking about philanthropy requires us to define it—to specify the boundaries between motives, means, and objectives that are truly philanthropic and those that are not. Any proper definition must pay attention to how the term "philanthropy" has been applied in practice, and yet, description alone cannot suffice.<sup>1</sup> (Miller 2006: 52)

Philanthropy is defined in a variety of ways to reflect both motivation and expression/practice. The main definitional tension we found in the three countries is around an understanding of philanthropy as giving money to charity or as a variety of forms of strategic social investing. Both are a necessary part of Arab societies at this development stage; what they share in common is the intersection of private intentions to give back to society, and the provision of resources (monetary or otherwise) for the public good. Lester Salamon (1992) defines philanthropy as "the private giving of time or valuables (money, security, property) for public purposes" (cited in Sulek 201). The direction of philanthropy is thus both inward and outward; it emanates from an inner state of readiness to improve society, while linking the individual or institution to the "public" which can be the community, the nation or increasingly, transnational.

The Arab Awakening followed a similar pattern; it was both private and public. Citizens mobilized within their respective communities, at the national level, and as will be demonstrated in this report; across the countries in revolution. For example in Libya, Nedaa Al Kheir, an organization established in Benghazi by a Libyan businessman during 2011 first opened its offices in Egypt and Tunisia to help bring assistance to Libya, as well as spread the word about violations happening in the country.

### *The Design and Process of Scanning Philanthropy*

To avoid definitional confusion, we adopted a specific working definition for philanthropy that guided earlier regional publications, "the institutionalized pooling and distribution of private resources with the goal of building capacity, sustainable financing and expertise for long-term societal benefit".<sup>2</sup> Individual giving is thus excluded from our analysis, but not informal emerging efforts at collective mobilization of assets (through social media, for example) even if not formally registered. Emphasis is given to youth initiatives because of the unique role that generation is playing in recent political changes in these countries. We also explore informal and time bound philanthropic initiatives, although these may not ultimately become institutionalized; in recent years they have grown tremendously and warrant documentation and analysis.

Data for each country was analyzed at the national level. Authors in each country had to work under uncertain social and political circumstances which prolonged the data collection process. They, however, used those uncertainties to enrich their scan of the philanthropic realm; realities on the ground were distilled and interwoven in their analysis. Per country, in addition to a review of the literature, a series of in-depth interviews with institutional representatives and focus group discussions were conducted with civil society leaders, as well as youth activists, mainly in the period between August 2011 and May 2012. (The interviewing in Egypt continued into early 2013 because of the substantially larger sector to be sampled.) The interviews addressed the sociopolitical environment within which philanthropic practices were shaped as well as actual structural shifts and emerging forms of philanthropic organizations and initiatives. Illustrative examples of identified trends are highlighted in the analysis. Ethical and safety considerations were built into the study design to ensure that the identities of informants remained confidential and the original recordings of interviews were destroyed once the analysis was complete.

## **The Long Slumber: Propaganda Philanthropy and the Scene before the Arab Awakening**

A brief overview of the period leading up to the Arab Awakening reveals an increasingly dysfunctional philanthropic landscape that was feeling its way towards change and integration within the global philanthropic realm. Within that environment, promising examples of effective institutional giving did appear in some countries, and that period witnessed the emergence of a cadre of professionals and philanthropists dedicated to building an infrastructure of strategic philanthropy within the region; the birth of the Arab Foundations Forum as a professional membership organization in 2007 is a good example.

1 Cited in Sulek, Marty. "On the Modern Meaning of Philanthropy." Nonprofit Voluntary Sector Quarterly 2010. Sage: 2009. Link: <http://nvs.sagepub.com/content/early/2009/03/11/0899764009333052.full.pdf>

2 See Ibrahim, Barbara and Dina Sherif. From Charity to Social Change: Trends in Arab Philanthropy. Cairo: American University in Cairo Press, 2008.

Practices of philanthropy have always been influenced by the political environment in which they operate – the more restrictive the politics, the more limited the scope for institutional strategic philanthropy to flourish. Under Qaddafi, Bourguiba and Nasser in the mid-twentieth century, the historical faith-based philanthropic institution of Waqf was nationalized and brought under the control of the state. This was the beginning of a continuing stalemate because with state control came lack of trust, disincentives to invest, and a perceived need to stay close to the centers of power in order for philanthropies to operate freely. This clearly led to some compromises in the independence of the sector over several decades. At the same time, movements based on religious ideology, such as the Muslim Brotherhood, began to offer their own style of social services and charity to those who were left behind as public services declined.

Since the start of the 21st century a fledgling movement emerged that called for the revival of strategic private philanthropy along lines that have been successful in Europe and North America. Voices calling for strategic philanthropy, impact investing and sustainable giving were championed among an emerging business sector but the climate of political stagnation did not encourage wide expansion. Foundations, along with all others in civil society were heavily restricted in Egypt and Tunisia and forbidden in Libya.

The Wings/TPI report (2011)<sup>3</sup> on global institutional philanthropy which covered the Arab region confirms this image. According to the report, philanthropy was to a large extent informed by religious and charitable impulses. There were new institutional models that sought greater scale and impact but the sector remained small in relation to pervasive individual giving through religious channels such as Zakat and Ushur (Muslim and Christian tithing from personal income). Most of the challenges mentioned in that report were related to government restrictions: tax and financial policies, problems with registration and regulation, or had bearings on religious traditions. In all three countries covered in this report, institutionalized philanthropy was controlled by the state in the same way the state sought to control its citizens – with a few exceptions. It was also part of the symbolic capital that sought to project a progressive image to the world while autocracy was expanded at home.

In Libya, Saif al-Islam's emergence came hand in hand with the establishment of the Gaddafi International Foundation for Charitable Associations (GIFCA), a foundation that was primarily funded by the state, and under its umbrella, many other civil society organizations were born. The Foundation had little impact on the ground in Libya but it was through the charity, "that Saif al-Islam was able to broker a deal in 2000 for the release of the western hostages being held by the Abu Sayaf group in the Philippines. Alongside the charity, Saif al-Islam also set up the One Nine Group - an investment group comprising a portfolio of companies" (Pargeter 222).<sup>4</sup> In 2009, Saif al-Islam also established a human rights organization that spun off GIFCA called the Arab Alliance for Democracy, Development and Human Rights, with a mandate that consisted of "tracking human rights abuses in the Middle East"; the first meeting that launched the organization was held in Tripoli with Saif al-Islam announced as Chair.<sup>5</sup> Philanthropy, thus, was primarily politics in Libya; the period witnessing the revolution, however, opened up space for major shifts on that front and a rebirth of citizen-led philanthropy.

#### *In Tunisia under Ben Ali, Larbi Sadiki relates how*

...charity, an arena with lots of potential for the growth of non-governmental organizations (NGOs), is taken over by the State. The regime is taking no chances with welfarism. Thus it has absorbed the lessons of the past, from within and without, that State failure in this domain opens up space for not only proactive Islamist-led grassroots social engineering, but also for all kinds of other non-State activism (Sadiki 58).<sup>6</sup>

However, in addition to what we may call propaganda philanthropy (as in Libya); Tunisian civil society did witness a pre-uprising expansion in philanthropy that had a more cultural and artistic rather than rights or development focus – philanthropy that kept to the status quo yet was monitored closely. In this report, Alzidi underscores how development organizations did not exceed more than 11% of the number of existing associations in 2010-2011. A percentage of that percent was actually run by the first lady, Laila Ben Ali, who also headed the Arab Women Organization and founded the Basma Association for the Promotion of Employment of the Disabled which was established with the mission to "back up the state's efforts in the integration of the disabled, particularly by contributing to enhancing their employment".

3 Johnson, Paula. Global Institutional Philanthropy: A Preliminary Status Report (2011). Complete report is available at [http://c.ymcdn.com/sites/www.wingsweb.org/resource/resmgr/files/institutional\\_phil\\_parti\\_ove.pdf](http://c.ymcdn.com/sites/www.wingsweb.org/resource/resmgr/files/institutional_phil_parti_ove.pdf)

4 Pargeter, Alison. "Libya: Reforming the Impossible?" Review of African Political Economy 33 (2006): pp. 219-235. Web.

5 For more information on Saif al-Islam and the Arab Alliance for Democracy, Development and Human Rights, see <http://www.globalsecurity.org/military/world/libya/saif-qadhafi.htm>

6 Sadiki, Larbi. "Bin Ali's Tunisia: Democracy by Non-Democratic Means." British Journal of Middle Eastern Studies 29. 2002: pp.57-78.

State control was further enhanced with the establishing of the Tunisian Union of Social Solidarity (UTS), the state's conduit in controlling community and development work in Tunisia.

In Egypt, according to the International Center for Not-for-Profit Law,<sup>7</sup> while Egypt's NGO law "is among the most restrictive in the world", Law 84 of 2002 "is not so much restrictive as discretionary". The law gave enormous discretionary powers to security forces behind the public face of the Ministry of Social Solidarity. But in spite of this, Egyptian civil society remains "the largest and the most vibrant in the entire developing world". This is because "the full weight of this authority is brought to bear only against organizations and individuals that cross the government's 'red lines' in pushing for social reform and political liberalization." The vast majority of civil society organizations deliberately avoided crossing well-known red lines, were avowedly apolitical and, thus, managed to escape severe government interference. For those reasons, human rights organizations, which because of their advocacy mandate were overtly political, had to rely almost completely on external funding. Thus, indigenous funding in Egypt was primarily directed to developmental, cultural, and charity organizations that flew under the radar of state security and avoided confrontation with the regime.

Private philanthropic giving in Egypt is substantial; it was estimated at \$ 1 billion annually in 2005 (More than EGP 5 billion), a majority of which, however, is not channeled through institutions. Informal transactions such as face to face hand-outs remain popular, and are at the same time difficult to measure in terms of impact or effectiveness in addressing core development problems. Mona Atia notes with regard to local giving that "organizations with religious philosophies have grown much more rapidly than those with secular orientations, yet secular organizations are heavily supported by international aid agencies. The increase in social services provided by civil society organizations is part of a wider revival of popular religious interest and a commitment to social work. This revival can be observed in both Muslim and Christian communities in Egypt."<sup>8</sup>(37) Following the institution of neo-liberal policies in Egypt, population growth outstripped the static or shrinking public services. Private philanthropy channeled to basic social services moved into poor communities where the state withdrew or became mired in corruption. A proliferation of local civil society organizations resulted from this process with varying degrees of scale and effectiveness<sup>(40)</sup>.

The 30-year Mubarak era witnessed a number of transformations in the philanthropic realm<sup>9</sup> with a rise in corporate social responsibility and the emergence of a core group of organizations advocating for more strategic giving. New forms of strategic philanthropy were in the making, a mix that included grant-making foundations, religious charities operating at major scale, community foundations, private sector partnerships, corporate and venture philanthropy.<sup>10</sup> Wealthy business leaders began opting for consolidating their giving in foundations called mo'assasat. The Sawiris Foundation for Social Development<sup>11</sup> is an example. Established in 2001, it is thought to be "Egypt's first modern grant-making foundation" according to Atia (47). The foundation supports social development through job creation and initiatives that include training, education and access to microcredit. Al Orman is an example of a religious charity, established at 1993, that rapidly expanded to 16 chapters across 16 governorates, covering 15,000 projects (47). Another expansion in philanthropic practices was in age groups involved; Resala is a youth-founded and run organization that has more than 60 branches throughout Egypt, and in 2012 included around 100 thousand youth volunteers.

## The Path to Awakening: From Humanitarian Aid to Strategic Philanthropy

The year 2011 marks a watershed moment in the Arab region; it was the culmination of multiple smaller organizing efforts for political change across what had formerly been perceived as the most stagnant and change-resistant part of the world. This collective tipping point had been building for decades and should most accurately be viewed as a continuum that has not yet born its desired fruits: the revolutionary fervor continues in 2013 as well as the grievances that set the Arab Awakening in motion.

At a time of upheaval, mass protests and street violence in 2010-2011, there was a need to leverage resources from within and without to respond to escalating needs on the ground; food, medicine and increasing poverty as economies faltered. Philanthropy responded in largely unstructured and citizen-led efforts to meet humanitarian needs. Following the departure of autocratic regimes, needs changed, and forms of giving shifted toward rebuilding damaged communities and lives. As the political struggles became more complicated, philanthropy was one of the locales where political

7 More information on Egyptian Civil Society Law is available at the International Center for Not-for-Profit law website at <http://www.icnl.org/research/monitor/egypt.html>

8 See Ibrahim, Barbara and Dina Sherif. From Charity to Social Change: Trends in Arab Philanthropy. Cairo: American University in Cairo P, 2008.

9 Ibid.

10 Ibid.

11 [http://www.sawirisfoundation.org/sawiris/index.php?option=com\\_content&view=frontpage&Itemid=1&lang=en](http://www.sawirisfoundation.org/sawiris/index.php?option=com_content&view=frontpage&Itemid=1&lang=en)



powers revealed themselves and sought precedence – the fight over civil society law and conflicts related to foreign funding in Egypt and Tunisia are two examples discussed in this report. While each country followed a fairly unique path in the attempts to consolidate citizen mobilization into more structured institutions, some cross-national patterns did emerge from the study.

A number of general trends can be seen in each of the three countries. In Libya, with the absence of an infrastructure for institutionalized philanthropy under the old regime, a civil society is currently being forged from a relatively white slate and that leads to a number of challenges as well as opportunities for developing new paradigms; in Tunisia, a shift in focus from cultural associations to more developmental associations took place as well as an effort to expand and build on an already existing civil society. In Egypt, the process was more complicated considering the breadth and history of civil society there, but new initiatives emerged and a restructuring of civil society is now embedded within a larger debate regarding religion, the constitution and drafting a civil society law that allows for citizen engagement and would release philanthropic efforts from former restrictions. What is common across all three countries is the focus on reforming the regulatory environment and developing a civil society law that is in keeping with the spirit of the Arab awakening – The most recent draft of NGO law in Egypt, however, brings civil society further under state control and severely restricts foreign funding which may have serious consequences on the future of the sector.<sup>12</sup> Another common theme is the pivotal role played by youth as major stakeholders in change. The dynamics may be different in each site, but the vision of an independent civil society is a shared goal.

In Libya, an early effervescence of new forms of citizen mobilization –including a substantial return of Libyans living in the diaspora --is now developing into more structured organizational forms. Over 250 new organizations for examples were established in the period during and immediately after the revolution in the eastern half of the country, and those numbers have increased one year after the revolution. In a country with a population of six million across a wide expanse of land, those numbers are significant and indicate the centrality of civic organizations to the future of a democratic Libya. . At the outset, the main focus of those organizations was humanitarian aid to provide food and shelter as well as medical aid during the war against Qaddafi's forces and the immediate aftermath. Those groups are now shifting focus and exploring ways to become a more sustainable presence. Media is playing an important role in raising funds as well as awareness; radio stations, because they can be fairly easily set up, are particularly popular. In the East, there may be multiple radio stations in areas that have a population as small as 1000 people.

In Tunisia, informal philanthropy boomed in Tunisia during the revolution: “This was manifested in the great surge of solidarity shown during the security breakdown afflicting the country's streets. Popular committees were formed to protect neighborhoods. This coincided with fundraising campaigns to collect donations and food...” Out of this solidarity to meet humanitarian needs witnessed during the revolution, around 1044 new associations were established from January to end September 2011. Those numbers are, as Alzidi puts it, a “record” if compared to the annual registration of associations in the past 20 years which never exceeded 220 associations annually; this rate had also declined significantly to 82 in 2012 from 148 in 2009. Along with the burst in civil society expansion there was a shift in focus: the new associations may be divided as follows: “453 cultural and arts associations, 182 charitable and social associations, 129 development associations, 144 advocacy and citizenship associations, 63 cooperatives, 58 sports associations and 15 feminist associations”. This shift Alzidi argues responds to escalating economic needs as well as a continuation of the citizen mobilization that had unfolded during the revolution. The location of those associations is also significant; under Ben Ali, the majority of associations were located in the capital of Tunis, but now a substantial increase in newly established associations are found in deprived areas: “the bedrock of the Tunisian revolution, namely the mid-west which includes the of Sidi Bouzid, the north-west and the south-west regions.”

In Egypt with an old and diverse civil society, extensive informal personal giving and formal/institutionalized philanthropy existed side by side.. During and after the 18 intense days of the revolution, citizen mobilization of resources was immense both within the country and from its diaspora. On a single day one of the foundations interviewed for this report managed to raise over EGP 100,000 for needs in Tahrir Square from Egyptians living abroad. Groups of doctors established makeshift hospitals and volunteered their services to treat the injured. Social media played a significant role as it did in Libya and Tunisia. @TahrirSupplies is an example of a Twitter application that not only helped raise donations but also provided information regarding what medical supplies were needed, when and where.

The focus on the regulatory environment and ensuring an autonomous civil society is now front and center. This was brought into startling focus in February 2012 with arrests of staff at both Egyptian and international NGO's operating in Cairo that were implementing election-related training programs and other democracy promotion programs. Of the

<sup>12</sup> More information is available at <http://www.icnl.org/research/monitor/egypt.html>

43 people who were referred to a criminal court for trial as part of an investigation into the funding and registration of NGOs, there were 14 Egyptians, in addition to US, German and Serbian nationals reported to be staff members of five organizations – the US-based National Democratic Institute (NDI); the International Republican Institute (IRI); the International Center for Journalists (ICFJ); Freedom House (FH) and the Germany-based Konrad-Adenauer-Stiftung. This sparked a fierce national debate on Egypt's civil society law which requires NGOs to register with the Ministry of Solidarity and Social Justice and to receive permission before receiving foreign funding.

The battle for a progressive civil society law in Egypt continues as this report goes to press. The latest draft has proven to be a serious setback to the vision of an autonomous civil society. According to the International Center for Not-for-Profit Law;

Following ratification of the new constitution of Egypt on 26 December 2012, the Shura Council (Egypt's upper house of parliament) received for the first time the right to initiate the drafting of legislation 'in case of the dissolution of the House of Representatives' or lower house of parliament (Article 131). Taking advantage of this new authority, the Shura Council has prepared draft laws on assembly and association. These draft laws have been heavily criticized by international and domestic observers, and President Mohammed Morsi has reportedly vowed not to approve any such legislation until after elections for the lower house of parliament are held. .... If new laws affecting freedom of assembly and/or freedom of association are passed by the Shura Council, they must be "presented to the [lower house] for consideration as soon as it is convened" (Article 131). However, even if the Shura Council does not act, it seems clear that a new NGO law and a new law governing assemblies will be passed in 2013.

This law contains provisions that would severely limit the ability to fundraise locally or to receive external funding and would make the distribution of funds the prerogative of a joint Ministerial and security services committee. Strong protests from international, regional and local organizations do not seem to have influenced the Muslim-Brotherhood dominated government intentions to move this draft into law.

## The Centrality of Social Justice

A common denominator across those waves of mass citizen activism was the call for social and economic justice, and the success or failure of the Arab transition seems to be heavily dependent on whether or not these aspirations are addressed. In Yemen, Egypt, Libya and Tunisia, the street protests mobilized around calls for social justice as well as the concept of *karama* or dignity, bread, and freedom. A perceived lack of social justice was a key factor that ignited and continues to fuel those uprisings, while even small steps toward realizing basic fairness in public life remain elusive.

As a concept, social justice has a particular resonance within the region, where the widespread perception is that a small group of cronies close to ruling families were reaping the fruits of economic and social progress, while ordinary people were subjected to police brutality and arbitrary justice.<sup>13</sup> Literature and documentation of most transitions suggest a direct connection between achieving social justice aims through progress on democratization. However, that link is not apparent in public discourse in the Arab uprisings. In recent protests in Cairo for example, while "social justice" or *al-'adalah ijtima'iah*, remains a central theme, "democracy" is hardly mentioned. Public discourse on social justice is more likely to focus on a number of specific rights such as personal dignity, freedom of expression, official transparency and equality before the law.

The complexity of the term gives way to complexity at the level of practice, particularly as related to philanthropy. Social justice philanthropy in the Arab world can be approached at two levels: institutional and informal. The Arab Awakening witnessed a restructuring and a spike in informal and non-institutional philanthropy which responded to felt needs within communities. Institutional philanthropy in places like Egypt, however, was more likely to maintain its pre-Arab Awakening programs or to 'pause' while reassessing the new realities. Foreign organizations were eager to assist in the nascent process of democratization, through capacity building, advocacy and awareness-raising programs. They misread the eagerness of some local NGOs for this type of assistance, and a general lack of coherent government policy early on as a green light to work freely in the country in advance of early elections in Egypt. Indigenous foundations that received and managed funds from these international donors were subsequently caught up in a highly controversial "NGO court case", while feeding a general mood of xenophobia and a perception among many citizens and policy-makers that democratic aims such as free and fair elections were being prioritized over the escalating social justice demands on the ground. This unfortunate episode has delivered a setback for

13 This section benefitted from discussions with youth researchers involved in a Gerhart Center – British Council tracking study on youth perceptions of sociopolitical changes in Libya, Tunisia and Egypt (2012-2013). The study is to be released in May 2013.

public understanding of the role of philanthropic capital during transitions, and has lingering effects on the civil society sector working in all fields and locations in Egypt. In neighboring Libya there is no parallel rejection of international assistance, and in Tunisia, while there is a healthy public debate, the presence of international aid agencies promoting democratic transitions has not been criminalized.

By bringing the question of al-'adalah ijtimai'iah to the center, the Arab awakening brought new energy to practices of local philanthropy. Starting from spontaneous neighborhood protection groups and moving on to imaginative uses of social media to fundraise, philanthropy has been fueled by waves of citizen engagement. In other words, social justice philanthropy followed the energy created by people's actions and mobilization, and was structured by tools such as the internet, community solidarity funds, make-shift hospitals and so on. As new nations were being reborn, philanthropy was interchangeable with citizen engagement – and out of this new paradigms evolved, in structure and content.

The Arab Awakening has brought to the foreground the nexus between social movements and resource mobilization; the mobilization of funds for social justice causes was heavily influenced by the mobilization of citizens from the ground up, rather than from the wealthy downward. In form, philanthropy followed the informal structures that were developed to meet humanitarian needs for protection, rehabilitation, legal aid, and advocacy for labor rights. Creativity and innovation continue to flourish within the informal realm, although we noted a decline in the volume of new citizen initiatives when comparing the end of 2011 with early 2013, perhaps related to a rise in more overtly political organizing around elections and the constitutional drafting process in each country.

## **The Way Forward: Is a Philanthropy Renaissance Possible?**

As this brief overview of shifts in philanthropic practices demonstrates, a number of trends are emerging on the indigenous philanthropy scene. Given the informal nature of many initiatives and the difficulties in the legal environment for civic organizations, it remains unclear whether these trends will result in a more structured and sustainable sector in the future. Below are some thoughts on interventions that could help to make that transition possible.

### *Providing Thought-Leadership and Evidence-based Strategies*

The region needs to develop common and locally-owned definitions and terms. There are several intermediary groups that network foundations and philanthropists with civil society organizations which could form the basis for that process. Shared definitions would set the stage for a meaningful discussion around the long-term vision for the sector. The Gerhart Center at AUC, the Arab Foundations Forum, and Saaned Philanthropy Advisory in Amman could jointly provide such a platform. It would provide thought-leadership for the encouragement of strategic, sustainable Arab philanthropy, grounded in the culture and aspirations of the region and actively engaged with emerging global philanthropy as well. This is a time of renewal in philanthropic thinking from within the private sector as well as western foundations, and much can be learned from an exchange of evidence-based practices that work. The critical first step is arriving at definitions anchored within the region to allow new models to emerge that are better suited to a shifting Arab context.

### *Finding Cultural Brokers and Scanning the Landscape – Informed Social Justice Philanthropy*

Each Arab country has a historical and geographic specificity to be taken into consideration when embarking on building an infrastructure of philanthropy. There is also a need for cultural brokers -- people who are familiar with local communities as well as the national scene and can play a role in mediating with donors both local and cross-border to make sure that philanthropy is well-connected to the needs and expectations of beneficiaries and potential partners on the ground.

### *Policy Advocacy and Self-regulation*

Currently the region lacks vehicles for the regulation of philanthropic practices other than governmental agencies or security apparatus. We are beginning to see the emergence of informal coalitions with the aim of policy lobbying for a more conducive environment for civic action and philanthropic giving. Arab Foundations Forum, Saaned, Gerhart Center and the International Center for Non-Profit law are currently developing a policy brief and template law on foundations and endowments that can become the basis for regional efforts to improve legislation and oversight of the sector. Without such policy change the growth of more strategic philanthropy will be curtailed. On the civil society side, the current lack of any norms for self-regulation is a primary factor cited whenever the state calls for greater intervention and restrictions on civil society. Codes of ethics and measures that ensure transparency, if adopted widely within the sector, will form an important element to safeguard future trust and autonomy.



### *Effective Advocacy, Building Platforms and Networking for Impact*

There is much potential for synergies and joint programs that cut across the three budding democracies covered in this report. The initial cross-border citizen support flowing toward their liberation struggles can now shift into exchanges of expertise, innovation, and institutional support for capacity development and greater sustainability. Universities can become the hubs for this process via peer exchange, rigorous evaluation and diffusion of ideas. The Ma'an Arab University Alliance for Civic Engagement, a growing network of universities dedicated to building more engaged campuses that conduct learning, research and service jointly with their communities, is an example of a platform that can make this possible. The Gerhart Center at AUC also hosts an annual Takaful Conference on Arab Philanthropy and Civic Engagement, which is another attempt to forge such a platform for the exchange of knowledge and program innovation. Going forward, stronger lines of communication can be forged as well with key stakeholders in the private sector, multinationals, social movements and diaspora communities.

This report is thus a snapshot of emerging trends, in which a central finding is that spontaneity, citizen innovation, and lateral connections are having the largest impact on the philanthropic sector in the wake of revolutionary political changes. We are left with an unanswered question as to whether these impressive steps forward can be sufficiently institutionalized that they will survive and grow. Our bet is on the positive answer to that question, and it invites all of those working in the development and civic engagement fields to join forces with them for a sustainable future.

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# Egypt

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## 1. Introduction

### *1.1 Mass Mobilization and a Rethinking of Egyptian Philanthropy*

Philanthropy is deeply rooted in Egypt's past. Much of the trials and tribulations of Egypt's history, however, resonated within the realm of its philanthropy; its development was closely tied to the politics of the times, and the rise and fall of Waqf are instructive in that regard.<sup>14</sup> It flourished in times of political liberalization and receded in times of autocracy; in 1952 for example, Waqf, mandates of unions, professional syndicates and NGO legislation were changed to give the government complete control over the sector. This severely restricted the role of Waqf as a philanthropic institution and brought its activities to a halt. Philanthropic giving continued nevertheless in institutional and non-institutional forms, as will be later evidenced in the chapter. For better or for worse, linkages between politics and philanthropy continued to clash at times and to align at others, hindering the sector from organically developing; yet in spite of this, it can be argued that growth has taken place over the past half-century. The January 25 Revolution altered the political landscape and, in so doing, provided a space within which philanthropy underwent a restructuring and a rethinking of its existence as its role moved from the fringes to the center.

As philanthropy moved to the center; the traditional gave way to innovative citizen-led approaches. Traditionally, giving in Egypt has been largely understood within three distinct modalities: individual philanthropy carried out by the wealthy through personal giving or via family foundations; faith-based philanthropy emanating from the requirements of Islam (Zakat, Waqf, etc.) and Christianity (Ushur, or tithing); and more recently through Corporate Social Responsibility (CSR) programs established by larger private-sector companies, local and international. In light of recent waves of awakened citizen mobilization, this scan takes a somewhat broader view, recognizing that newer forms of giving are now embedded within patterns of civic and social solidarity. A rethinking of philanthropy was necessitated by the Revolution, and a paradigmatic shift from philanthropy as giving and mobilization of resources alone is underway, to what we can call activist philanthropy that is deeply rooted in more collective citizen action; the lines of demarcation separating practices of philanthropy from those of activism have been blurred, sign a lingo a restructuring of philanthropy in a country going through several political, social and economic changes. So while the scan focuses mainly on developments within institutionalized philanthropy, attention is also given to civic projects and informal philanthropic initiatives that emerged in the scene especially those initiated by youth.<sup>15</sup>

### *1.2 Methodology and Challenges*

The methodology identified by the authors included extensive desk research of national and international country reviews and reports with a focus on citizen activism, youth and resource mobilization. Field research included the use of two methods of data collection; mainly semi-structured as well as key informant interviews. The semi structured interview survey covered organizational issues in established foundations; in both key informant and the semi-structured approach, questions were included to gauge perception-based reflections about philanthropy as it is linked to Egyptian society.

Face to face interviews began in late 2011, with final data collected in spring of 2012. The project was more difficult than expected, as many respondents were either distracted by the dramatic ups and downs of former regime prosecutions and protracted and often violent protests, or they were reluctant to share information about initiatives they saw as still in the formative stages. While individual and informal/non-institutional philanthropy were expanding in new and innovative ways, institutional philanthropy seemed to fall short. Therefore it is important to keep in mind the snap-shot nature of this scan at a particular time period during which Egypt was undergoing profound societal transformations.

The scan focuses mainly on initiatives in the large urban centers of Cairo and Alexandria that were accessible to the authors. So while there can be no claims to a nationally-representative sample, we have aimed for a diverse sampling of the types of initiatives currently underway in urban areas of Egypt, which are often harbingers of larger societal trends.

## 2. Institutional Philanthropy, the Regulatory Environment and Definitional Confusion

Regarding institutional philanthropy, we focused on grant making organizations rather than those only operating their own projects. Classifying those organizations was a challenge; the main organizing typology is that put forward by the WINGS/TPI report on global institutional philanthropy (2011)<sup>16</sup> in an effort to build on existing knowledge

14 See Khafagy, Riham and Abdallah Erfan. "Reviving Waqf in Egypt." Cairo: John D. Gerhart Center for Philanthropy and Civic Engagement, American University in Cairo, 2013. Link: <http://www.aucegypt.edu/research/gerhart/rprogram/Documents/Waqf.pdf>

15 Youth are defined here as those between ages 18 and 35.

16 WINGS and TPI. "Global Institutional Philanthropy: A Preliminary Status Report." 2011. [http://c.ymcdn.com/sites/www.wingsweb.org/resource/resmgr/files/institutional\\_phil\\_parti\\_ove.pdf](http://c.ymcdn.com/sites/www.wingsweb.org/resource/resmgr/files/institutional_phil_parti_ove.pdf)

and allow for comparability. The typology includes six broad categories of institutional philanthropy: independent foundations, corporate foundations, community foundations, host-controlled funds, government-linked foundations and multi-purpose fundraising institutions. In the case of Egypt, this typology was found to loosely fit the different institutions on the scene. This definitional confusion points towards a larger debate on definitions and categories within the sector, not only in Egypt but in the Arab region as a whole. That said; some philanthropic organizations can be classified under more than one WINGS category, as will be shown in the report and some do not apply under the circumstances. Government-linked foundations for example are currently on hold, as many foundations linked to the old regime have been disbanded or are currently keeping a low profile until there is more clarity within the political landscape. An example of this is the formerly active Future Generation Foundation, which was headed by Gamal Mubarak, the son of former president Hosni Mubarak.

An overview of the changing regulatory environment is important. An existing gap between Egypt's civil society law and existing structures of civil society on the ground can help explain the confusion of terms and categories. There are around 24,500 (2007 estimate)<sup>17</sup> associations, foundations, non-profit companies, and unions in Egypt. The regulator for associations, foundations and unions is the Ministry of Social Solidarity, and for not for profit companies, the Ministry of Industry and Trade. According to the Egypt Human Development Report (2008), the total revenue of 15,150 associations in 2006 was LE 1.928 billion. The expenditure of these associations totaled nearly LE 1.471 billion<sup>18</sup>. Employment levels within the sampled associations are estimated to be 100,761 employees. An unknown percentage of those are grant-making, others are grant recipients and many are hybrids (give grants and operate programs). Other civic organizations are registered as law offices or civic companies to avoid state interference. These "creatively" registered organizations benefit from multiple advantages including freedom to innovate, responsiveness and flexibility in fundraising. A draft law under consideration in early 2013 would close this avenue of registration and criminalize attempts to avoid the Ministry of Social Solidarity.

That said; there is a gap between how an organization is registered and what it is. Often registration is a matter of convenience rather than operation. For example, the number of registered foundations in Egypt has grown rapidly over the past decade. This, however, is no indication of the number of 'real' foundations<sup>19</sup> that exist. Registering as a foundation may be more convenient than as an NGO because the board of a foundation has fewer trustees and there is neither a requirement for membership in the organization nor an annual membership meeting to ratify activities and leadership. Therefore we estimate that the number of true foundations, which manage significant assets that are re-allocated via grants, is probably closer to 150, although this is almost impossible to verify because the mandated annual reports submitted to the state are not made public.

There is also another gap between the stipulations of the law and law enforcement. According to the International Center for Non-Profit Law (ICNL), civil society in Egypt is governed by the provisions of the Law on Non-Governmental Societies and Organizations (Law 84 of 2002) and the Executive Statute on Law 84 of 2002 (Ministry of Insurance and Social Affairs [Now Ministry of Social Solidarity] Decree 178 of 2002). While the NGO law is "considered among the most restrictive in the world," Law 84 of 2002 "is not so much restrictive as it is discretionary." While the law gave powers to the Ministry of Social Solidarity, in practice, however, this authority was "brought to bear only against organizations and individuals that crossed the government's "red lines" by calling for social reform and political liberalization." Most organizations, managed to fly under the radar of state security by being apolitical, although their abilities to raise additional funds or to partner internationally were restricted by red tape and delays.

While "politically-correct" organizations were allowed to operate, civil society's influence at the policy level remained limited, and that hindered its ability to sustain impact on the ground and widen the scope of its influence. According to the Civil Society Index Report on Egypt released by CIVICUS, a global alliance of CSOs, in 2006; "a long history of state centralization of power and limited political freedom has meant that CSOs have functioned in a highly inhibitive environment that is not conducive to unrestricted civil action. This is reflected in the level of autonomy enjoyed by CSOs, in the possible roles they can play and the scope of influence they can hope to have on policy and decision-makers."

17 For more information on Egypt's Civil Society Law, please refer to The International Center for Not-for-Profit Law (ICNL) at <http://www.icnl.org/research/monitor/egypt.html>

18 Data from 2007 Survey Conducted by General Federation of Associations

19 According to the Foundation Center, a foundation is "a non-governmental entity that is established as a nonprofit corporation or a charitable trust, with a principal purpose of making grants to unrelated organizations, institutions, or individuals for scientific, educational, cultural, religious, or other charitable purposes. This broad definition encompasses two foundation types: private foundations and grantmaking public charities." More information available at <http://www.grantsspace.org/Tools/Knowledge-Base/Funding-Resources/Foundations/What-is-a-foundation>

The restrictive legal and regulatory environment has had adverse effects, particularly on organizations working in economic development, human rights and democratization. Due to these restrictions, which worsened during the 30 years of emergency law, many official trade unions and syndicates were infiltrated, elections rigged and establishing independent political lobby groups or trade organizations prohibited. Civil Society Organizations were granted no role in reviewing government budgets nor did they have a place at the table in negotiating loans or terms of programs such as those of the Institute of International Finance (IFI). Access to information was exclusively controlled by the state, which made it increasingly difficult for CSOs to collect, assess, and report on government expenditures and activities<sup>20</sup>.

In the period post-Mubarak, several attempts were made to draft a new Egyptian NGO law. A number of drafts were suggested by civil society organizations to guarantee autonomy and a law that best reflects existing structures and international best practice. The draft law that was issued by the Ministry of Insurance and Social Affairs in October 2012 and according to ICNL, this draft would reduce some restrictions on local NGOs but would place more restrictions on foreign funding. However, after the election of a new president, new amendments have been made to that draft that voiced the concerns of practitioners in the field. According to the Cairo Institute for Human Right Studies (CIHRS), the proposed law is “oppressive and attempts to nationalize civil society and turn it into a governmental body” as it “restricts NGO activities to development and social care only, and deems human rights groups, as well as law and constitutional awareness organizations, “political parties.”<sup>21</sup>

### 3. A Leap of Faith: Citizen Philanthropy and an Interfaith Movement

Faith-based giving has always been central to the Egyptian philanthropic realm, but starting 2011, it witnessed a leap. While it is difficult to estimate if this leap was in the quantity of giving since no data is available; it appears to be based on the renewed centrality of mosques and churches in addressing needs in the community and providing humanitarian aid during a time of economic hardship for most citizens. A rewind to the period preceding the Revolution is instructive in that regard. A survey conducted by Marwa El Daly in 2006 at the Center for Development Services (CDS)<sup>22</sup> confirms the relevance of religious giving in Egyptian society by revealing that the motive behind philanthropic giving for 45.8% of the respondents was to fulfill religious duties, followed very closely by 45.5% who said it was a way of being closer to God. This same survey revealed that 62% of respondents had made some sort of contribution to charity (other than mosque or church donations), while 38% had not made any contribution. The main form of charitable giving was in the form of cash donations, while volunteerism emerged as the smallest form of contribution. It should be noted, however, that statistics on volunteerism are likely to be underestimated, as respondents may find it difficult to account for informal forms of volunteering such as taking care of an elderly family member or helping a neighbor.

While mosques and churches have always been involved in the mobilization of resources and giving; their role was unleashed during and after the intense days of the Revolution. This came hand in hand with an interfaith citizen movement that called for solidarity of all Egyptians irrespective of religion to bring down autocracy and build an Egypt where citizens enjoy equal rights. With the Muslim Brotherhood coming into power this movement has been challenged and is currently undergoing a dialectic battle over definitions of full citizenship in the constitution and the role of religion in the new Egypt. The outcome of this dialectic is yet to be determined.

A review of the intense days of the Revolution and the protests that followed present an example of the kind of role that can be played by religious institutions in citizen-led philanthropy. Al Qaed Ibrahim mosque in Alexandria, Omar Makram mosque in Cairo, Martyrs' mosque in Suez were all centers for humanitarian aid as clashes broke out in the areas surrounding them. Make –shift hospitals were established within to provide assistance to wounded protestors. As needs for assistance intensified, there was a rise in the mobilization of resources to those mosques. Social media and word-of-mouth were the main means of passing on requests for money, medicine and food. The flow of funds to the Omar Makram mosque was so much at one point that it was suggested to allocate the funds to other areas. In a recent report (April 2012) by the Arab Center for Research and Policy Studies on the role of religion in the Revolution,<sup>23</sup> the author describes how “Egyptian mosques, as is the case now in Syria and earlier in Yemen, were places for organization and mobilization” for the “disaffected

20 Yaroslav Trofimov, “Egypt Opposes U.S.’s Democracy Funding,” Wall Street Journal, June 14, 2011. <http://online.wsj.com/article/SB10001424052702304665904576383123301579668.html>

21 “Draft NGOs bill ‘more repressive’ than Mubarak era law: CIHRS,” Ahram Online, Feb 7, 2013. <http://english.ahram.org.eg/NewsContent/1/64/64268/Egypt/Politics-/Draft-NGOs-bill-more-repressive-than-Mubarak-era-l.aspx>

22 El Daly, Marwa. *Philanthropy in Egypt: A Comprehensive Study on Local Philanthropy in Egypt and Potentials of Directing Giving and Volunteering towards Development*. Cairo: Center for Development Services, 2006.

23 Al-Anani, Khalil. “The Role of Religion in the Public Domain in Egypt after the January 25 Revolution.” Qatar: Arab Center for Research and Policy Studies. April 2012.

and angry, places to assemble and protest” against the regime. To mobilize the “silent masses,” Friday prayers were used as an incentive to get people to midans and squares around the country. As hundreds, sometimes thousands gathered for Friday prayers, a unique solidarity was born that extended beyond prayers to keep the revolutionary fervor alive with some, and ignite it with many others.

The centrality and significance of mosques emanate from their historical context, linking past to present. The Omar Makram mosque is named after an Egyptian national leader; Omar Makram (1750-1822) who fought against the French and who along with other Azhar scholars helped catapult Mohammed Ali to power in 1805. The Al Qaed Ibrahim mosque in Alexandria is named after Ibrahim Pasha, son of Mohammed Ali; it was built to mark the centenary of his death in 1948. Both mosques, thus, encompass within their walls a history of change and rebellion; the Revolution provided an opportunity for the revival of that role.

As Friday prayers ignited revolutionary solidarity, so did Coptic churches hymn to the Revolution. In Shobra wherein the population is mostly Coptic (Ibrahim 2003), the Church of the Virgin Mary and the Archangel Michael played key roles in aiding families financially affected by the Revolution. The Church of the Virgin Mary and the Archangel Michael are responsible for Khalafawy, Mamalik Square and Ezzbet Al Nakhl areas. Most of the people carrying out philanthropic activities are volunteers who apply the concept of Ushur to their time as well as their wealth. The funds used comprise mainly of Ushur and the contributions of the church members geared towards certain causes. The funder and the final receiver are never made known to one-another.

There is a wide realm of ongoing activities that the church carries out. These activities include helping the poor with their basic needs including clothing, shelter and food. In most cases, the beneficiaries are not given monetary aid but substance aid to ensure that the funds are geared towards their intended cause. In the case of clothing, church members donate their old clothes that are in good shape. The church also has a network of doctors that offer subsidized services for the poor. In addition, the church has established a medical center that has a wide range of clinics and offers services at a subsidized rate. The medical center is open to all people irrespective of their religion.

According to Father Fahim, the philanthropic practices of the church have not undergone significant changes post the revolution. The only significant change is that the number of people out of jobs has grown which requires more support from the church to the families in need.

Both Orthodox and Evangelical churches carry out philanthropy and respond to humanitarian needs. Kasr Al Dubbara church is the most famous Evangelical church in Egypt partly because it has the highest number of Evangelist (protestant) church goers and partly because of its location near Tahrir Square and its role during the revolution. During the protests, Kasr Al Dubara church opened its doors to create a major field hospital to help the injured regardless of their religion or political affiliation. It also encouraged its youth to join the demonstrations, as opposed to the more reluctant Orthodox Church. It also hosted prayer groups to pray for the country open for all Egyptians to promote a culture of understanding and religious tolerance.

### *3.1. Institutionalized Philanthropy and Mixed Responses*

Private institutional philanthropy had a growth spurt in the period from 2000 until the revolution. Most family and corporate foundations were founded during that period, which coincided with an economic growth spurt in the country that largely benefited its wealthiest citizens. Perhaps because of their relative newness, these organizations did not respond with the same fervor as other citizen groups to opportunities following the 2011 revolution. There were a few exceptions that demonstrated a shift in focus and geographic scope. Nevertheless, while some attempted to be responsive to the tides of change, others lagged behind as will be seen below.

A number of trends are worth noting. A temporary shift from strategic programmatic philanthropy to humanitarian aid was witnessed; four out of the nine interviewed organizations affirmed that it was imperative to shift some of their focus and energy towards short-term charitable activities to fulfill the growing needs of the Egyptian people, in addition to maintaining their long-term development activities. Another trend was starting new programs to meet escalating needs on the ground. Those programs may not be sustained in the long term but were essential at the time. The Egyptian Food Bank, for example, established a program targeting workers in the months following the start of the revolution through which daily meals were packaged for workers whose livelihoods were adversely impacted by Egypt’s economic instability.

We found that some of the more established foundations in Cairo felt little need to alter their programs. Their stance was that targeted program strategies had developed over many years and they had expertise in specific sectors. This made



it difficult to alter their expenditures and activities during sudden and unexpected changes to the country. Other foundations noted that their revenues had been reduced significantly because of economic contraction, making it harder to initiate new programs or respond to increased needs. Many in the sector refute the notion that they should fill the void left by inadequate state programs, arguing that post-revolution we should expect greater efficiency and accountability from governmental service-providers.

Conversely, we found among many of the newer and smaller organizations, especially those with a community focus, a keen sense of their obligation to do more and to reach more beneficiaries due to the conditions following January 25th. They believe that one of the finest outcomes of the revolution was the unleashing of citizen passion and talent directed toward social change within Egypt.

Against that background, the following section features illustrative examples of how some foundations reacted to the political, social and economic changes that emerged during the Revolution and post-Mubarak. By exploring how those organizations responded to shifts in the environment within which they exist, the attempt is to throw light on the “mixed responses” of the sector and what that means going forward.

### *3.1.1. The Sawiris Foundation for Social Development and Going beyond the Center*

For the past 10 years, the Sawiris Foundation for Social Development (SFSD), a family foundation established by the Sawiris family in 2001, has launched hundreds of initiatives and projects in 24 governorates with a fund of around EGP 400 million, all of which was directed to the foundation’s six key fields: Training for Employment, Health, Community Development, Microcredit, Scholarships and Cultural Awards. In the period following January 25, 2011, the Foundation did not alter its scope of work but used its ongoing and solidified scope to address issues that resulted from the “Arab Spring.” Geographically, the Foundation extended its programs beyond the centers of Cairo and Alexandria, areas that continue to have escalating needs, yet receive inadequate attention by funders.

In response to rapid shifts in the region, SFSD has initiated a 2-year project to facilitate sustainable economic reintegration for Libya returnee Egyptian migrant workers and their family members. The project will provide 735 Libya returnee Egyptians with necessary small-scale entrepreneurship training and loans in Sohag.

Moreover, in light of the economic slowdown facing Egypt, SFSD partnered with the UNDP, the Rockefeller Brothers Fund (RBF), the United Nations for Women, and the British Department for International Development to implement a range of development projects in Upper Egypt. SFSD has contributed 27.6% (7.8 million EGP) of the total funds of the project to the rural development and off-farm employment component. SFSD Executive Director, Dr. Gannat El Samalouty stated that by the end of the project there will be “more than 1,000 young men and women trained and well-informed about different aspects of sustainable agricultural and rural development and ready to share their experiences and acquired knowledge with at least 2,000 other farmers in their communities.”

The Foundation has also been quite proactive in consolidate its projects and programs in targeted sectors like health and education. The Gouna Technical Nursing Institute is one of its milestone projects in collaboration with faculty from the Lawrence Memorial/Regis College Nursing Program, USA. It was inaugurated in 2010 to provide excellence in nursing education and graduates are committed to working in an Egyptian hospital for two years after graduation. In 2010 and in Suez, the Foundation and the National Committee for the Control of Viral Hepatitis (NCCVH) of the Ministry of Health signed an agreement to establish a viral hepatitis center in the Suez Fever Hospital to improve the delivery of viral hepatitis prevention and treatment. The center started its services in 2012 and has been carrying out awareness programs about prevention methods.

On education, SFSD believes that investment today in Egypt’s talented youth will produce future leaders and innovators, who will contribute to its sustainable development. To ensure that students of merit have a unique opportunity to pursue higher education in reputable institutions, SFSD offers a variety of scholarships including International, National and Specific scholarship programs. As of 2013, 422 scholarships from the three categories have been awarded, with a total budget of almost LE 70 million. This comprises 19% of the Foundation’s portfolio for more than a decade.

Most recently, in February 2013, the Foundation signed an agreement with UNICEF to establish 120 child-friendly community schools in the rural Upper districts of Assiut and Sohag. SFSD leadership gift of \$2,250,000 USD (14,490,000 EGP) over 4 years (2013–2016) will help ensure the most marginalized children (about 3600 children) receive a quality primary education. The “Schools for Egypt” project will also develop training programs for 300 teachers and supervisors in addition to the ministry of education staff.

### *3.1.2. Mansour Foundation for Development (MFD): Evidence-based Action and Transnational Philanthropy*

A corporate foundation established in 2001, Mansour Foundation for Development espouses a think-forward approach to development by contributing to the “welfare and socio-economic development of the Egyptian society.” Two main shifts took place in the foundation’s strategies as a result of the Revolution; a geographic expansion of its philanthropy (outside the center in Egypt, and transnationally to other transitioning countries like Libya) as well as an expansion in its knowledge ownership to allow for informed and evidence-based interventions in the areas within which they operate.

During and after the intense days of the Revolution, MFD demonstrated responsibility in a twofold capacity; as an institution, on the one hand, and as individuals, on the other. The five main staff members voluntarily took a 25% salary cut in the six months following the revolution in order to stretch the resources of the foundation further and ensure the sustainability of its activities. It is noteworthy that they did so voluntarily and without any indication from management that the foundation’s budget would be affected in any way - in fact, until the time of publication, the budget of the foundation has not been reduced, even though company profits were cut. This decision emanated from the staff members themselves who felt it was their social responsibility to contribute financially at a time of great financial struggle.

MFD witnessed a shift towards humanitarian aid immediately following the start of the Revolution. It contributed funds to the treatment of 25 critically injured citizens as well as supported some of the families of the martyrs who died in clashes with state security during the first 18 days of the revolution. In their aim to be strategic in their giving, the Mansour Foundation for Development also began supporting the Egyptian Eye Hospital to help them improve their services to all patients.

MFD’s team invested time and effort to understand the needs of protestors in Tahrir and based on their field research, they have tailored specific assistance packages to some of those injured in the revolution. They have also built communication bridges with the youth and have engaged them in their activities as volunteers. MFD’s philanthropy also extended to Libya. During the Libyan Revolution, the foundation provided humanitarian aid that amounted to 150 tons of supplies to 15000 refugees stranded in the Libyan city of Mossad, in addition to sponsoring a medical unit to work in the Misrata hospital.

More recently, in addition to the inauguration of Alziniya medical unit in Luxor in collaboration with USAID; and the ongoing program “hand on hand” which targets disabled athletics children in Alexandria and unprivileged children in Siwa,” it launched an innovative human rights-based illiteracy eradication program in Alexandria and Marsa Matrouh soon to be expanded to other governorates, as well as develop a kit to allow the program to be replicated by others. It is significant that the program has benefited from the volunteerism of over 100 youth in both Alexandria and Marsa Matrouh.

### *3.1.3. Waqfeyat El Maadi Community Foundation (WMCF): Leading Waqf to the Future*

The “Arab Spring” created a fertile environment for new ideas to emerge and a paradigmatic shift in practices of philanthropy from the philanthropy of old to innovating and thinking-out-of-the-box. Established in 2007, Waqfeyat al Maadi was set up to revive and modernize the institution of Waqf within the Egyptian society. WMCF serves the area of Maadi and Helwan as well as its surrounding dwellings through the mobilization of strategic philanthropy with the vision of contributing to social change and social justice. WCMF has evolved since its inception from a flagship organization promoting Waqf to a fully integrated community foundation that embodies the spirit of the Maadi/Helwan area as well as reflects the needs of the community and the pulse of the street. The foundation has been active since the 25th January revolution in mobilizing funds along with lobbying on behalf of the families of the martyrs as well as those injured from the area. It also organizes political awareness workshops for community members to raise awareness about the parliamentary elections.

The foundation has a number of key programs. The first is on capacity building for civil society organizations, training for philanthropists and corporate social responsibility as well as beneficiaries on topics such as financial sustainability and strategic philanthropy. The second aims at establishing endowments or income-generating projects to empower people forever. The third offers grants to civil society organizations to start small and micro projects targeting charity-dependent beneficiaries.

During the 18 days, the Foundation took it upon itself to become the hub for different groups to meet in a safe and open space to communicate and discuss issues around the revolution and the way forward. Such groups included the “people’s committees” (ligaan sha3beyya) that were formed to protect the streets of the suburb of Maadi and its neighboring areas



during the most tenuous days of the Revolution. Additionally, the foundation has hosted the families of martyrs and assisted them in lobbying for their rights and organized events to celebrate their lives and achievements.

#### *3.1.4. The Alexandria Trust: Building Informed Citizenship*

Founded in 2011 by Egyptian businessman and philanthropist Salah Khalil as a direct response to the January 25 Revolution, the foundation aims at developing a new generation of citizens across the Arab world who can serve as active and informed participants in their societies. In order to fulfill its vision, the trust offers access to outstanding teaching and thinking in the social sciences and humanities. Projects in scholarship and teaching, translation, media coverage of education, and new educational technologies are incubated.

The potential role of the media according to the Trust is one where “the media plays a very big role in disseminating the need and benefits of philanthropy. If we are to affect a culture shift in philanthropic giving and thinking in the Arab World, the media will be a key driver of change and opinion.” To enhance responsible journalism, it launched a number of projects that are aimed at fostering independent journalism to provide balanced and accurate coverage of higher education, and to encourage a new generation of journalists who can influence key decision-makers; encouraging philanthropic investments in higher education, with the aim of fostering a fully developed, family- and philanthropist-centered system of support; in addition to using educational technology to bring both content and reach to the challenge of reform in higher education.

Furthermore, the Trust works in a variety of other areas such as mobilizing talent through juried prizes and opportunities for new scholarship in the social sciences (the ‘Mouseion Prizes’) as well as transforming training and support for teachers, at university and secondary levels, so that pedagogy moves beyond didactic modes of instruction to more collaborative, learner-centered approaches. Furthermore, they maximize access to top quality content in the social sciences and humanities through translations into Arabic of seminal texts, and by ensuring that we reach into communities not well served by education services.

#### *3.1.5. Educate-Me: An Education Initiative*

Educate-Me is an initiative founded and run by several young entrepreneurs including Yasmine Helal and Amr El Salanekly. Educate-Me is a registered Egyptian Non Profit Foundation that strives to redefine Education via “[creating] an educational approach that would extract the hidden potentials of children without depriving them from living and experiencing their childhood to the fullest.”

“Educate-Me belongs to the school of thought of Sir Ken Robinson, John Holt and Albert Einstein; who all believed that children are naturally born learners who can best learn through indulging their curiosities. That development is not about memorizing curricula and scoring in standardized assessments; but rather about being able to fulfill your own dreams and aspirations and live the life you want, which only happens when you are given the very simple opportunity to choose.”

The organization currently serves children aged between six and thirteen years old residing in an area called “El Konayessa,” an underprivileged area at the outskirts of Giza. Since its inception in June 2010, the organization has served 200 children in the age group mentioned. The activities of Educate-Me include providing financial support to children who cannot afford their formal education in order for them to attain. The support includes tuition fees as well as any necessary gadgets. They also offer a non-formal educational program that encourages creative, independent thinking in addition to the establishment of community development centers in the areas where they operate to serve the community as a whole.

#### *3.1.6. Nebny Foundation: Youth-Led and Targeting Philanthropy*

An example of youth-led and targeting philanthropy that found its starting point in the Revolution is Nebny Foundation, an independent foundation registered in 2011. Through a youth-led, locally driven approach, Nebny aims at promoting, educating, enabling, and empowering youth to actively participate in shaping Egypt’s economy. Its approach responds to “current needs of Egypt’s economy and youth by creating employment opportunities and will be complemented by sustainable mechanisms for long-term economic growth” as mentions the foundation’s mission. The founding members of Nebny Foundation came together after forming strong friendship bonds in Tahrir Square during the 18 days of the revolution. Currently, the foundation has over 15,000 members on Facebook and continues to utilize social media to recruit volunteers for the events it organizes.

Dr. Mohamed Kenawy, of the newly established Nebny Foundation, noted that while they prefer to establish development programs it was also imperative to conduct some immediate charitable activities to win the trust of

community members. This led to a project for collecting, cleaning and selling clothes in the informal area of Manshiet Nasser. It met an expressed need of the community they operate within and they felt it right to respond in this way.

The foundation's main activities were initiated as a reaction to the Jan 25 Revolution. A three-day festival, "Egypt Now," to commemorate the revolution and stimulate tourism was organized. The main objective for Egypt Now festival was to create an event that captured Egypt's essence - youth for freedom- and invite the world to support Egypt 2011. In addition, the festival was intended to provide an example to the world's developing countries in hope that it would turn to a yearly global event. The foundation's choice of initiative was a reaction to a faltering vital sector, tourism that contributed to as much as 11% of the GDP back in 2010. As per the World Bank, an estimate of 14.5 million tourists entered the country in 2010 compared to a drop by an average of 30 - 45% during 2011 as per various governmental and industry-specific reports. According to Hossam Arafat, head of the Chamber of Tourism Companies, around 3 million workers are employed in the tourism sector, a rough 13% of the job market; of whom 50% were laid off after the Revolution. The drop in the tourism sector coupled with an increasing unemployment rate has rung a worrying bell for the founders of Nebny who decided to react to the situation.

The foundation's other activity is the creation of the Center for Entrepreneurship (C4E), a platform for the launch and growth of early stage business in Egypt. C4E will mine, screen and select business ideas and will provide an array of services to entrepreneurs that will help them launch the right products to the right market/people using the right economical approaches and techniques.

### *3.2. Youth, Informal Philanthropy and the Egyptian Awakening*

The last three years witnessed a surge in the number as well as visibility of informal philanthropic initiatives within Egyptian society. During the two years leading up to the Revolution, informal philanthropic initiatives started to gain momentum and spread, especially through social media and the internet. The first 18 days of the revolution witnessed the culmination of these informal initiatives, as a myriad of services emerged in Tahrir and other public sites of demonstration. Those initiatives continued to grow steadily post Mubarak. Given the popularity of internet and mobile-driven social media access, one of the most prevalent forms of informal philanthropy in this period was the collection of donations through SMS, e-mail, Facebook and/or Twitter campaigns circulated amongst friends, family members and, anyone with access to social media via a smartphone or an internet-ready computer.

The causes that trigger these donation campaigns have run the gamut, ranging from urgent need for specific blood types for the sick or wounded or financial contributions for operations and medicine for those in need to the less urgent, but nonetheless pervasive calls for contributions for engaged couples in need of financial assistance in order to prepare for the financial burdens of marriage. In most cases, one contact person is listed at the end of the message and the money is managed and channeled through this individual.

Examples of these informal philanthropy initiatives abound across the social media sphere, but perhaps the most prominent was an e-mail that was circulated to raise funds for political activist, Ahmed Harrara, who was injured and eventually lost both eyes - first during the 18 days of the revolution, and then in November 2011 in renewed clashes with the police. The e-mail and messages on social media sites were circulated following Harrara's second injury urging people to contribute towards financing a trip to Germany in order for him to receive medical care. The speed at which the information was disseminated and donations flooded in is due, in large part, to the virtual network that is made possible by the internet - effectively creating a community that extends far beyond the boundaries of geography and allows for a larger net to be cast. But, this is also a network that is reliant on the consistency and availability of the technology. What happens when that access is denied or thwarted?

During the three days of the revolution in January, the Egyptian government cut off all Internet and mobile phone access, essentially isolating Egyptians from each other and from the rest of the world. For those three days, activity in these online and mobile-based informal philanthropy initiatives ceased, although some creative supporters abroad were able to transmit some messages sent out via landlines. Ironically, that period brought even more people out to demonstrate as they replaced face to face contact for the severed phone contact. Once the lines of communication were restored, however, and once Egypt was 'back online', news of the realities on the ground galvanized a community effort on a national scale that spurred an increase in informal philanthropic initiatives - ranging from provision of food and blankets to demonstrators to assistance of the wounded to donation drives for funds or urgently needed supplies for make-shift hospitals across the country.

As mentioned, the role played by social media in allowing for the widespread penetration of information at warp speed cannot be overlooked. One of the most successful and popular initiatives included the development of @TahrirSupplies, a Twitter application which allowed donors to know what supplies were needed and when and where volunteers would be collecting medical supplies, food and blankets to the protestors in Tahrir Square. At the time, Egyptian security forces were making it difficult for people to reach Tahrir Square and donors found it appealing to drop off the supplies at convenient locations throughout the city while relying on the youth groups in charge of this initiative to take the supplies to the protestors and to those in need.

In this past year, many more informal philanthropic initiatives were developed along the same lines, with one of the most recent being a website and Facebook page developed and updated by volunteer doctors to alert donors to missing medical supplies during the November 9th, 2011 Mohamed Mahmoud Street incidents. The result of this initiative was the delivery of an abundance of medical supplies, surgical kits, oxygen cylinders and other medical equipment that fulfilled, and in fact exceeded, the need. As a result, the volunteer doctors took it upon themselves to count, classify and record all the donations, and once the clashes had ended they donated all the remaining supplies to the Egyptian Medicine Bank.

Perhaps the most striking informal philanthropic initiative that took place last year was led by a diverse group of individuals and CSOs who have taken upon themselves the task of facilitating the treatment of those injured during the first 18 days of the revolution. E-mail and SMS campaigns were launched to collect funds locally and through the Egyptian Diaspora and to secure the volunteer support of doctors in countries like Austria and Germany. Egyptians living in these countries volunteered to host and mediate the treatment of some of the most critical cases as a way to give back to Egypt. Likewise, funds have been established for long-term rehabilitation of the injured in Egypt and for support to their families if they were breadwinners.

Throughout this study, we solicited the opinions of institutionalized philanthropy organizations' staff members with regard to their perceptions on the rise and proliferation of informal philanthropic activities. A majority claim to have noticed that it is on the rise and that, overall, it is a healthy phenomenon. However, some also cautioned that there tends to be a duplication of efforts due to the lack of coordination among the different informal philanthropic initiatives and that this is an issue that needs to be addressed. One way that has been suggested to deal with this duplication of efforts is to set up an online national database that connects that in need to those with the willingness and resources to provide assistance. A database would allow people to post and list their needs and, in turn, would match them up with informal philanthropy initiatives that are aiming to address those very needs. It would also ideally allow for progress to be tracked and create a consolidated space where informal initiatives can be concretized and perhaps even transitioned towards a more formal paradigm.

*Below are illustrative examples of key initiatives that were launched as a response to the Revolution:*

#### *TahrirSupplies*

An online community established in 2011 on Twitter, TahrirSupplies was launched by a group of youth. Their mission is to "communicate the needs of the field hospitals in Tahrir to the public - as requested on Twitter or over the phone. With donor generosity and effort, field hospitals and their storage rooms have grown from ruins into some of the well-equipped field hospitals." According to one of the volunteers interviewed for this scan, @TahrirSupplies "...started as one person's idea, and grew into a collective initiative. We all watched what was happening to fellow Egyptians in Tahrir and felt the need to supply field hospitals in Tahrir with all the resources, medication, and help they needed. We also realized there were many unable to physically be physically there in Tahrir, but who were just as keen to help by donating their time, efforts and required supplies." Therefore, the @TahrirSupplies initiative was born.

A collective effort based solely on the efforts of volunteers, the initiative was ever-present throughout the course of the first 15 months of the uprising on Twitter and Facebook as a focal point for gathering supplies and keeping the "plugged in" population informed of need and drop off stations for supplies. The initiative aimed to provide any and necessary supplies to hospitals – makeshift or formal – as well as blankets, food, water, etc. to protesters who were camped out in Tahrir Square. The objective of @TahrirSupplies can be summed up in this one quote from one of its volunteers: "In the wake of the revolution, our Egyptian society has become more aware of the power of the people. Power that lay in the ability to change and the belief that one person can make a difference. It has awakened the philanthropist in all of us."

As a team, TahrirSupplies has exerted endless efforts to try and ensure that the supplies that are in excess after all protests and sit-ins in Tahrir are over end up in the hands of Egyptians who deserve and need them the most. They have done this by being in constant contact with the doctors on the ground and others trying to familiarize ourselves with

what they plan on doing with the supplies in the future. They have also relayed to them some of the suggestions from users and volunteers and donors in the hope that they would take them into consideration. The fact remains though, that @TahrirSupplies never had ownership over the supplies sent through donors to Tahrir. Supplies, once bought, are owned by the donor and they continue to be owned by the donor until delivered to the field hospital in Tahrir where ownership is transferred to the volunteers there. TahrirSupplies feel morally obliged to constantly check that the supplies are in safe hands at all field hospitals as well as to constantly check that they will always serve a good cause and will not be tampered with or resold. TahrirSupplies have excelled in using online social media technology via Facebook and Twitter to solicit donations from citizens for supplies needed by make-shift field hospitals during the Revolution.

### *Egypt Negma: Diaspora Philanthropy Taking Ideas to Action*

Egypt Negma is a social Entrepreneurship and Mobilization organization, founded as a response to the Revolution and based in Boston, USA. The organization was established by seven Egyptian-American and Egyptian professionals from the Harvard and MIT community who got together and asked the simple question: What can we do to move ideas to action on the ground, for a brighter future for Egypt? As they thought about the social and economic needs on the ground in Egypt, they realized the need for an organization that supports innovation in order to help spur job creation and create a social impact. The founders did not want to focus exclusively on any one particular sector or industry, but rather to promote innovative and entrepreneurial projects that respond to broad social and economic needs in Egypt. The NEGMA Conference, and later NEGMA, Inc., became an outgrowth of this initiative.

NEGMA seeks to identify social innovators and entrepreneurs who are working to solve some of Egypt's most significant challenges. To support this vision, the NEGMA Conference has been established to help translate ideas into action for a brighter future for Egypt. The NEGMA Conference will be an annual conference designed to bring together individuals who are making an impact in social and economic development for the purposes of Networking, Entrepreneurship, Growth, Mobilization, and Action (NEGMA). In 2011, NEGMA, Inc. was incorporated as a nonprofit to support this vision.

NEGMA was established to fill an important space in the emerging entrepreneurial landscape in Egypt. By engaging members of the Egyptian Diaspora with innovators and entrepreneurs, NEGMA seeks to create a permanent space for exchange between the Diaspora community and Egyptian counterparts. Further, by sponsoring an annual Conference in which 10 Finalists compete for resources to help launch into action, NEGMA seeks to create a community of innovators and entrepreneurs that will be part of the NEGMA Alumni Network.

The NEGMA Conference seeks to accomplish the following goals over a 2-day period: provide an opportunity for 10 NEGMA project finalists from a range of sectors to gain professional feedback on their proposals through hands-on working groups; provide opportunities to network with like-minded individuals and funders to move ideas to action; build partnerships between Egyptian and Diaspora organizations interested in creating impact through sustainable development in Egypt; provide awards for best project proposals which will be presented at the conference in the 'Impact Egypt! Competition'; in addition to improve the skill sets through capacity-building workshops. The NEGMA conference seeks to be a fun and interactive platform that brings bright ideas for sustainable development and social entrepreneurship in Egypt to the fore, and helps launch them.

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So far, NEGMA has relied on individual donations and corporate/organizational sponsorships of the conference. They are considering expanding this model in the years to come, but probably for the short term this base will continue to be the source of funding, especially if they are able to continue to put on a few successful fundraising events throughout the year to bring the community together and further explain the vision and mission of the NEGMA initiative and project.

Through an extensive network of partnerships, NEGMA has been able to support their work and, in fact, maintain that "our partnerships have been crucial to our success."



## 4. Financing Philanthropy and Restrictions to the Sector

### 4.1. Financial Models and the Question of Sustainability

Private philanthropic organizations and CSOs are limited by both convention and law from innovating in the ways they leverage finance for their work. Bureaucratic measures imposed by the law greatly limit access to international grants or credit; all organizations must apply for a license in order to raise funds from the public inside Egypt (with the government taking a percentage of the funds collected, rising as high as 30%). At the same time these organizations are curbed in their ability to embark on income-generating activities to achieve financial sustainability and independence. Without a new financing model, an independent, vibrant and sustainable civil society will be difficult to sustain in Egypt.<sup>24</sup>

Although access to local grants is subject to government permits and consequently cumbersome for Egyptian philanthropic organizations and CSOs to obtain, access to foreign grants is even more problematic. It requires prior approval from authorities and delays in receiving approval often extend over several months. This is due to a regulatory framework that has blocked traditional and sustainable means of giving. Nonetheless, as estimated by Egypt's Center for Development Services, Egyptians still donate at least \$1 billion to public causes annually. This could prove to be a strong force if directed strategically toward development and human rights organizations. However, the vast majority of these funds are currently channeled through charity and relief agencies connected to mosques or churches. Relief aid will always have an important place, but healthy philanthropic sectors are generally those where a balance in objectives is reached.

The Egyptian foundations interviewed for this scan showed great diversity in their financial models. Despite the fact that all the surveyed foundations engage in some forms of grant making<sup>25</sup>, they work according to varying financial models depending on the type of organization and its mission. The most common financial models we found include:

- Family Endowment
  - » Example: Sawiris Foundation for Social Development began in 2011 through an endowment by the Sawiris family members who make up the board of trustees for the foundation. The foundation issues grants to encourage employment in Egypt. In 2012, grants totaled EGP 400 million.
- Corporate percentage of Profit
  - » Example: Mansour Foundation for Development operates through transfer of a varying percentage of their yearly profit. Although in the past they mainly provided grants to NGOs to implement their activities, in recent years they have shifted to operating their own projects while providing mini grants for technical assistance to partner NGOs.
- Ongoing Fundraising from the Public
  - » The Egyptian Food Bank relies on year-round fundraising from the public to provide grants to NGOs to distribute and package their food to be delivered to the poor throughout the country. So far they have reached approximately 17 million low-income Egyptians.
  - » @TahrirSupplies relied solely on spontaneous funding from individuals either in cash or through donation of supplies.
- Ongoing Fundraising from the Private Sector
  - » Nebny Foundation is the only operating foundation covered in this scan and it mainly raises support from the private sector to implement its activities.
  - » People's Development Foundation also relies on private sector contributions for its charity work, including Ramadan food bags as well as prepared lunch initiative.
  - » NEGMA, because it operates in Diaspora, can host fundraising and networking events throughout the year to help support its programs and annual conference.
- Board of Trustees Contributions
  - » The Egyptian Food Bank and Injaz rely on their Board of Trustees' contributions to cover operational costs as well as its advertising. The Board of Trustees cover these contributions as part of their company's and their personal social responsibility.

24 This section is based on information contained in the article How Can the U.S. and International Finance Institutions Best Engage Egypt's Civil Society? – The Brookings Institution – written by Ehaab Abdou (Co-founder, Nahdet El Mahrousa & the Federation of Egyptian Youth NGOs), Noha Hussein (Director, Education Programs, Save the Children, Washington DC), Mona Atia (Assistant Professor, Geography and International Affairs, George Washington University), Homi Kharas (Deputy Director and Senior Fellow, Global Economy and Development, Brookings Institution), Amira Maaty (Program Officer, Middle East and North Africa (MENA), National Endowment for Democracy) - June 2011.

25 Nebny Foundation is not yet a grant making foundation as its still in its inception phase, however they aim to move to grant making in the coming years.

- Individual Endowments

- » Waqfeyat el Maadi Community Foundation relies on creative funding mechanisms, including ‘individual endowments’ to set up income generating projects that empower disadvantaged populations. The foundation markets different forms of individual endowments including: donor-advised funds in the endower’s or a beloved’s name (minimum endowment of LE 50,000), individual grants to CSOs (a minimum of LE 6,000)- this grant is allocated as a revolving loan fund in the local CSO and is monitored closely by the foundation. Collective Community funds invite a group of philanthropists to donate any amount of money to be placed in collective funds each at a value of LE 11,000. This fund will be distributed in the form of grants to CSOs to revolve as income-generating funds for single mothers supporting orphans and as assistance to poor families.
- » People’s Development Foundation has set up a micro-financing unit through an endowment established by one of its board members. The foundation’s goal is to expand their endowment fund in the coming years.
- » The Alexandria Trust is presently exclusively funded and supported by its founder, philanthropist Salah Khalil. The Trust is actively soliciting other funding sources that will leverage his contributions.

In terms of financial sustainability, foundations that are based on Family Endowment and Corporate percentage of Profit models appear to be the most stable and the most institutionalized. The remaining financial models mentioned above, despite achieving their goals, are faced with challenges. Among these are the previously-mentioned regulations enforced by the Ministry of Social Solidarity. Public donations may only be collected seasonally – the Egyptian Food Bank has lobbied the Ministry for years to amend that law to allow for collection of donations to occur year-round.

The Waqfeyat El Maadi Community Foundation has also had to exert efforts to reintroduce and promote the endowment model after it essentially disappeared and lost its resonance within Egyptian society. They have opened a new door for endowments to be made by Diaspora philanthropists but it continues to be challenging to institutionalize a legal means to bring these funds back into the country given the many suspicions around ‘foreign funding’ of NGOs in Egypt, a problem that has only been exacerbated in the post-revolution months.

The most recurring concern with regard to financing philanthropy and creating a sustainable funding model is the country’s dire economic situation, which some believe has caused donors to give less than they would have in the past. Although funding from individual and corporate donors has not ceased, it has indeed slowed down, resulting in some foundations being unable to reach their funding goals for the year and many CSOs falling short of needed grants for their community work.

The current political environment that saw political Islam emerge as a major force in the parliament is another oft-mentioned cause of concern. Some fear that new legislation will be introduced to create a ‘House of Zakat’ (Beit el Zakat) that the public will be forced to donate their funds through, a kind of religious ‘tax’. This would undermine the freedom to fund whatever initiatives they choose and decrease the funding sources for many secular and progressive organizations.

Lastly, the ability of some foundations to access foreign funding has been constricted by fear of being attacked by the government and the media as part of the current wave of crackdowns and smear campaigns on CSOs and NGOs. Therefore, despite interest by external donors to support Egyptian society in its transition period, many CSOS have refrained from accepting any form of support to avoid potential political or legal battles.

For example, a consortium of European and US foundations eager to work in partnership with CSOs beyond Egypt’s major cities had to shift the project to Tunisia in light of continued attacks by the SCAF-led government on ‘foreign funding’.

#### *4.2. Restrictions to the Sector*

The constricted options for raising finance is negatively affecting the sustainability, strategic planning and expansion of philanthropic organizations and their CSOs counterparts operating in Egypt. It has also created an unhealthy competition for funds between these two groups. Accountability shifts more toward the small pool of existing donors rather than residing with the beneficiary populations these groups are committed to serve.

While the Egyptian uprising brought down the oppressive 30-year regime of Hosni Mubarak and has now achieved partial success in ending 60 years of military rule, it has also heralded a period of political strife and uncertainty that is impacting on investor confidence and citizen security. The past 20 months have resulted in greater instability, out-migration of talented people, and concerns for the future. As a part of society, the philanthropic sector has been greatly affected by these challenges, including:

- Social Challenges:
  - » As a direct result of the uprising and ongoing revolution, a new layer of marginalized and underprivileged citizens has been created – this includes the families of those who lost their lives during the more violent days of the revolt, those injured or otherwise incapacitated due to violence and confrontation with police and security forces, as well as those day laborers who have suffered loss of income due to the cessation of employment opportunities. These urgent circumstances have resulted in diverting philanthropic resources in a bid to respond to immediate needs, thus decreasing the resources available for more long-term and potentially sustainable programs and initiatives that may have been underway pre-revolution.
- Political Challenges:
  - » In light of the unpredictability and volatility of the Egyptian political environment over past months, CSOs and the philanthropic sub-sector have found themselves in an uncertain state of legal limbo that affected productivity and the motivation to embark on new initiatives. Although there is talk of amending the NGO law that governs the practice of philanthropy, there has yet to be any concrete information as to what these amendments may be and whether they stand to empower or curtail the development of civil society in Egypt in the years to come.
- Economic Challenges:
  - » As Egypt's national income, spending and foreign reserves decrease and as its main sources of income, such as tourism, continue to suffer, the average level of philanthropic and charitable giving is decreased. Despite the fact that there are no confirmed statistics on this matter, there is overall anecdotal consensus among all those interviewed for this scan that the economy poses a huge challenge in the philanthropy realm, not only on the fundraising front but also on the delivery of targets to beneficiaries.
- Relationship Between Foundations (grantors) and CSOs (grantees):
  - » Discussion with the foundations that offer grant support to CSOs revealed that in certain instances there is a dissonance in the understanding of roles and responsibilities between the two. The main point of confusion seems to be over the role Egyptian philanthropic organizations play as local grant makers. In many cases, these foundations need to better assert and explain their responsibility to provide transparent quality control over their grants as well as joining as partners in development.
  - » It is somewhat worrisome to note that the Mansour Development Foundation and others have shifted away from grant making to mainly operating their own projects since 2009, having faced myriad challenges working with CSOs. The organization has opted, therefore, to take on the burden of implementing their own projects in order to ensure high quality and have chosen to offer partner CSOs mainly technical support to improve the quality of their work in the meantime.
- Individual Donor Fatigue:
  - » In the months following the start of the revolution a large number of initiatives were launched to collect money from individual donors for national projects, such as saving the economy, enabling a lesser dependence on foreign aid, building public universities, etc. It was mentioned more than once in interviews that, although these projects are valid, they have appeared on the scene too abruptly and without proper preparation or planning. They often lack a clear financial target or strategy for fundraising. This has proven to be distracting and an unsustainable method of funding innovation. It would be helpful to produce some clear guidelines for the establishment of new funds, as well as a well-defined strategy for fundraising and sustaining these initiatives.

## 5. Conclusions

This scan of Egyptian philanthropic practices in the year following the January 25 Revolution has revealed that the philanthropic sector, while it struggles with challenges and obstacles, continues to be active and innovative at this critical time in Egypt's history. As some parts of institutionalized philanthropy have been transitioning in the past few years from a charitable role to a more strategic developmental one, it offers creative models of philanthropy worthy of emulation. The sector is increasingly open to all strata of society, not just the wealthy. It reveals an increasing degree of flexibility and responsive to the needs of society, as new initiatives geared towards offsetting the negative impact of the revolution has emerged.

The Egyptian philanthropic sector, like most other sectors in Egypt, is currently at a 'wait and see' juncture due to the confusing transitional period the country is contending with. That being said, it is clear from the interviews conducted for this report that the sector is ready for action once again at full speed once the 'dust of the transitional period' settles. The hope within the near future that the economy will begin to stabilize, that an effective parliament will be in place, and that the laws governing CSOs will be amended in ways that are more enabling of the crucial work of civil society in the years to come.

Ultimately, the hope and anticipation is that the transition period will move Egypt towards rebuilding a country that is more democratic, transparent and collaborative in nature and one in which institutions are able to ward off corruption. The philanthropic sector, as a critical component of civil society, is a major player in this journey towards democratization. This report has shown both the potential for a powerful local sector to emerge, as well as the obstacles in its way. New legislation to ease the work of non-profit associations is an announced priority of President Mohamed Morsi's government. Once that is in place, we expect that some of the currently restrained alliances between corporates, CSOs and foundations will have an opportunity to grow and flourish. With time, we also expect more robust partnerships between CSOs, foundations and government. It is only through the true collaboration of these players that Egypt's long-sought development can be achieved.





# LIBYA

Ahmed Salah and Sherine N. El Taraboulsi

## 1. Introduction

In 2003, eight years before the breakout of the Revolution, former Libyan PM Mustafa Ahmed Ben Halim<sup>1</sup> foresaw the downfall of Gaddafi. Ben Halim concluded his book *Libya: The Emergence of a Nation and the Decline of a State*<sup>2</sup> with an eloquent warning that there is no other way for the despotic regime but to respond to the will of the people and to quit maneuvers which were starting to backlash in its face:

*“I hope that the regime realizes that it has no choice but to reconcile and come to terms with the people and seek its protection. Peoples would always support their legitimate leaders but they would never ever defend their executioners.”*<sup>3</sup>

Ben Halim ended his book with a quote by Caliph Omar Bin-Abdulaziz:

*“The people are lodging many complaints against you. Straighten up or quit. Salaam.”*

The Gaddafi regime, however, did not straighten up nor resign. It was ousted and the ‘straightening up’ choice has now become in the hands of the free Libyan people who face a critical challenge underscored by Ben Halim: the need for a just legitimate leadership that represents the people. A more critical challenge is finding such leadership after decades of despotic rule. This would include the establishment of educational, constitutional and political institutions and parties which must all have an effective role in the democratic transition. Strictly speaking, the role civil society can play in state reconstruction must not go unheeded.

This scan of the different philanthropic practices in Libya traces the historical roots of Libyan philanthropy and throws light on the status of civil society under Gaddafi. It then reviews the constant changes that occurred in civil society during the Revolution and delves into the revolutionary movement in relation to the civil society movement which produced several philanthropic foundations. The primary goal of these foundations was first to provide humanitarian aid to victims of the Revolution, then they grew into developmental foundations post Gaddafi. The study also touches on the pivotal role of youth and their views on the transitional period, and traces the beginnings and types of civil societies. It highlights philanthropic networking, presents a map of Libyan philanthropic foundations, explores philanthropic resources, and finally looks into the future of philanthropy in Libya as an outcome of the Revolution.

## 2. Political Development in Post-Revolution Libya

The February 17 Revolution was an important landmark in the modern history of Libya. According to Dr. Abdul-Hafeez al-Sallak, a founder of Libya’s National Democratic Movement, the Revolution was “an unexpected twist that nobody saw coming.” It evolved from “a peaceful protest against an armed autocratic regime” crescendoing into a “tumultuous storm that swept turbulently across the entire country and ousted the regime using the latter’s only trump card: the force of arms.” The origins of this transformation may be traced back to the set of political, economic and social changes which have taken place in Libya throughout its history, from its establishment, to the Fatimid and Ottoman periods, then the Italian occupation and the monarchy era, ending with Gaddafi. In the study in hand, we shall focus on Libya under Gaddafi with a brief overview of the ensuing changes.

### 2.1. Libya under Gaddafi

In 1969, Gaddafi staged a coup d’etat and overthrew the monarchy. On March 2, 1977, he dissolved the Republic and proclaimed the Socialist People’s Libyan Arab Jamahiriya (“state of the masses”). Gaddafi’s idiosyncratic Jamahiriya was claimed to be a “direct democracy, governed by its populace through local popular councils and communes (named Basic People’s Congresses). Geographically based congresses were formed at the governorate, municipal, and zone (lowest) levels where Libyans aged 18 and above, males and females, were brought together. The Libyan population was divided into 30,000 communes, each containing 100 men and women living in the same district. General people’s congresses were held thrice a year.”<sup>4</sup>

Gaddafi used his pan-Arab anti-colonial nationalism to gain more power. In his first official speech, in September 1969, Gaddafi attacked the old social system and called for a radical change in the social economic and political systems, hence breaking loose from Libya’s history as a colonized nation. Gaddafi decreed that Arabic be exclusively used in signage, tickets, cards, etc. Anyone looking to travel into Libya had to have their passport translated into

1 Born in exile in 1921 in Alexandria, Egypt where his father sought asylum after he was sentenced to death for his activities in the Libyan national movement. He was appointed by Prince Idris as Minister of Public Works in the semi-independent Emirate of Cyrenaica, then as Minister of Transportation in Libya’s first government. He was appointed Prime Minister in 1954 until 1957 where he resigned. He was the Private Councilor to the King of Libya from 1957 to 1958. He has been living abroad since 1969.

2 Ben Halim, Mustafa Ahmed. *Libya: Inbi’ath Ummah wa Suqut Dawlah*, Manshurat al-Jamal, Cologne, Germany (2003).

3 Ibid, p. 460.

4 Al-Mashhad al-Siyasi al-Libi: Su’ud Quwa Jadid (The Libyan Political Scene: Rise of New Powers). Mogherbi, Zahi Bashir. Al-Jazeera Center for Studies (<http://www.aljazeera.net/NR/EXERES/8653AABE-452B-4A42-A903-033DA048737F.htm>).

Arabic. A campaign was launched to acknowledge Arabic as a universal official language. Alcohol was banned under the Gaddafi regime, and so were all forms of entertainment which he considered as 'pornographic', 'obscene' or 'indecent'. The Libyan Studies Center was established to write the history of Libya, depicting it as a cohesive nationalist pan-Arab Muslim society which fights against western imperialism.

The Gaddafi regime hailed socialism as the means to achieve social justice and apply Islamic teachings. Several symbolic actions were taken to gain a pan-Arab anti-imperialist image for Libya, such as canceling military agreements signed with the UK in 1953 and the USA in 1954. Also, Gaddafi called for an all-out jihad to "liberate oppressed nations all over the world." He declared Islamic jihad to retrieve Palestine as a "Muslim duty." He also established a jihad fund to help finance armed struggle for liberation, maintaining that the Palestinian cause is "the key challenge to the integrity of Islam and the Arab World."

In 1972, Gaddafi issued a law that banned political parties and ushered in an exercise of brutal and unremitting suppression as it made the formation of or affiliation to political parties an executable criminal act. In 1973, in the aftermath of the declaration of the Popular Revolution, hundreds of intellectuals from different backgrounds—Islamist, nationalist and leftist—were arrested. The political scene featured only state-run organizations such as the Arab Socialist Union (ASU) and revolutionary committees, also known as the Basic Popular Congress (BPC). Mass arrests and executions of intellectuals and political activists within Libya and beyond continued in the 1970s, 1980s, 1990s and early 2000s. Gaddafi first ridded of military dissidents in 1969, 1970 and 1975. Students suspected of opposing his regime were persecuted in 1967 and 1977. Anti-Gaddafi intellectuals were massively arrested in 1978. The 1980s were marked by extrajudicial assassinations abroad. In the first half of the 1990s, Gaddafi launched an armed campaign against Islamist militant groups and against the Muslim Brothers in 1998.<sup>5</sup>

## *2.2. The Political Scene in 2011*

The Gaddafi regime continued its explicit crackdown on any attempts to create opposing political organizations as expressed in Gaddafi's Green Book—the constitution of Gaddafi-era Libya—in which he sets out his ideology and sums up his Third Universal Theory.

The rise of Saif-al-Islam Gaddafi and the calls he made in the middle of the first decade of the 21st century for economic, political and constitutional reforms created a schism in the opposition within Libya and abroad. Libyan opposition became divided into two parties: intellectuals and political activists from different backgrounds (Islamist, nationalist, leftist, liberal and secular) who called for making the best out of the present situation and striving to drive the regime to carry out economic, political and constitutional reforms; and another group of intellectuals and political activists who believed there was no hope in the existing regime and that the only way is to fight until its fall, but they did not set forth the way and time to do so. By the end of the first decade of the 21st century, it became crystal clear that the regime was not serious in the reform discourse and that the ruling forces were adamantly holding on to their positions and would not accept any reforms. Many who attempted to communicate with the regime withdrew peacefully. This created a sense of disappointment, or rather despair among intellectuals and political activists regarding the future of Libya.

The February 17, 2011 Revolution took most analysts, decision makers, and political activists by surprise as it ushered in a new era, for a new young untraditional generation that is apt for using the tools of the Globalization, adopts a non-exclusivist democratic discourse, willing to offer lives, and would spare no time or effort to turn discourse into practice.<sup>6</sup>

## *2.3. Political Development under the February 17 Revolution*

On March 5, 2011 leaders of the Revolution met in Benghazi where they established the National Transitional Council of Libya. The newly formed council was made up of over 40 members representing all regions. The NTC was led by Judge Mustafa Abdul Jalil, Muammar Gaddafi's former justice minister and the first senior official to have announced defection from the Gaddafi regime after tensions broke out. Born in Bayda<sup>7</sup>, Abdul Jalil was a pious honest man who strove for judicial independence under the Gaddafi rule. He was noted in news media for his strong stances against arbitrary arrests and prolonged detention without trial. He resigned over the government's failure to release 300 political prisoners despite the fact that they have been acquitted by the courts in 2007. Abdul Hafiz Ghoga, a Libyan human rights lawyer and former president of al-Bir Charity Organization, was Vice Chairman and spokesman for the NTC in Benghazi. He was actively involved in legal representation for the families of those killed in the 1996 Abu Salim prison<sup>8</sup> massacre in which Gaddafi

5 Ibid.

6 Ibid.

7 Capital city of the Jabal al Akhdar District in eastern Libya.

8 Located in Tripoli

forces killed 1200 political prisoners. The memory of the Abu Salim massacre provided a spark for the February 2011 uprising that overthrew Gaddafi. The arrest of a leader of the association of victims' families on February 15 in Benghazi led to protests that quickly spread when the government responded with force.

Opposition forces in eastern Libya—mainly dissidents and overseas exiles—joined forces to form a new leadership for the Revolution known as the Libyan Interim National Council. The Council formed military and judicial committees, and an executive board to act as an interim government for Libya led by Dr. Mahmoud Jibril, a US educated political scientist who was until last year the President of the Libyan Planning Council. Dr. Ali Tarhouni, former Libyan exile and Professor of Economics at Washington University in Seattle, was appointed Minister of Finance. Mahmoud Shammam, another exile who was educated and lived in the USA, was appointed Minister of Media and Communication. Seeking to develop a parliamentary framework, the Council brought together professionals, reformists, dissidents, Islamists, royalists and tribal figures.

The social underpinnings of the Revolution were represented by Libyan youth below 30 years of age who marched in protests and formed the Voluntary Liberation Army which fought against the Gaddafi guerilla. They were trained by dissident soldiers and officers. Women played a proactive multi-faceted role in the resistance that included the production of documentaries on the regime's brutality, looking after children and the wounded, preparing food for the combatants, and sewing up the independence flag.<sup>9</sup>

### 3. The Regulation of Civil Society and Cooperation with the NTC

The NTC promoted wide-ranging cooperation with CSOs, especially on the regulation of civil society. The Ministry of Culture and Civil Society held constant discussions with CSOs to develop a mechanism for registering the latter at the ad hoc local councils which represented the executive power in the different cities. Workshops were held in July 2011 to discuss a draft resolution concerning civil society in the transitional period until a new parliament was elected to enact a regulatory law for civil society.

The Ministry of Culture and Civil Society seeks to organize training courses for civil society staff by national and international experts, or through the international bodies operating in Libya. They also plan to hold workshops on democracy, human rights, citizenship, and other concepts that would help shape up democracy in the Libyan society. The Ministry attempts to use the headquarters of Colonel Gaddafi's revolutionary committee as training centers and forums for youths and civil organizations that would contribute greatly to city development. These state-funded centers will first be jointly run by civil organizations and the government, then state intervention will gradually disappear. The aim of these centers is to provide training and learning opportunities for youth and CSOs and to offer an integrated complex that is furnished with state-of-the-art technology. Such partnership between the state and civil society would support the democratic transition and boost community development to live up to Libyans' hopes and aspirations.<sup>10</sup>

#### *Libyan Civil Society Development since the First Spark of Revolution*

Civil society was brought to life in Libya in March 2011, after the eastern area escaped Gaddafi's grip and the creation of the National Transitional Council. Emerging CSOs principally supported revolutionary forces in eastern Libya, although they were unorganized and lacked a clear vision at the beginning. Libyans thought the Gaddafi regime would fall fast like Egypt and Tunisia. However, the persistence of the fighting which spanned a longer time than expected led CSOs in Benghazi to grow bigger and become more organized.

Libya was thus introduced to CSOs, especially in liberated cities; first east in Bayda, Darna, Tobruk, Gubba and Ajdabiya, then west in Misrata. After the fall of Gaddafi, CSOs mushroomed across the country. Social development was the most wide-ranging outcome of the Libyan Revolution as Libya turned from a state that knew nothing of modern society into one that houses over 2000 CSOs only one year after the revolution.<sup>11</sup>

CSOs have played an undeniable role in the aftermath of the revolution. They helped rediscover the Libyan society, supported the internal and external fronts of the revolution, alleviated the grievances of war and proactively contributed to building a new Libya. Although Libya was only recently introduced to this concept, it managed to develop a dynamic civil society whose experiences surpassed its short-time existence. This is clearly manifested in the social development that occurred in Libya and the growth of its CSOs through philanthropy.

9 Ahmida, Ali Abdullatif. The National Transitional Council: View and Challenges. Aljazeera Centre for Studies.

10 Special interview with Dr. Attia Ojali, under-secretary at the Ministry of Culture of the NTC, March 20, 2012.

11 Ibid.

## 4. Philanthropy in Focus

### 4.1. *Philanthropy in Pre-Revolutionary Libya*

Libya was first introduced to the Awqaf<sup>12</sup> system, or religious endowments, after the Arab Conquest. Awqaf flourished during the Ottoman period spanning from 1551 to 1911 where a Waqf was a key funding source for philanthropy. The main form of philanthropy and community service in general was the establishment of schools, sabeels<sup>13</sup>, hospitals and other charities. The endowment system was promoted by the Senussi Movement which was mainly founded on Senussi zaouias<sup>14</sup>; civil institutions whose agricultural endowments, according to Italian sources, amounted to 600,000 acres, and whose real estate returns in 1928 reached ITL 200,000.<sup>15</sup>

After the independence in 1951, Act No. 2 of 1957 was issued to regulate religious endowments in Benghazi. In 1963 a decree was issued for Islamic zouais.<sup>16</sup>

### 4.2. *Philanthropy under Gaddafi*

Gaddafi sought to control the mental state of the people through the state system and developed complex mechanisms to make this possible. His Green Book, which was an essential component of school curricula and the establishment of the World Center for Green Book Studies are a case in point. Gaddafi also used philanthropy and civil society to enforce his power and legitimacy nationally and internationally. In a 1994 paper, *Rethinking the State: Genesis and Structure of the Bureaucratic Field*, Pierre Bourdieu sees the modern state emerging from the “culmination of a process of concentration of different species of capital” such as economic capital, informational capital, and symbolic capital. Philanthropic foundations under Gaddafi fell under the symbolic capital category as he used them to polish his image. Despite violations within Libya, philanthropic foundations tried to promote their feigned advocacy of human rights and efforts to respond to the economic needs of the Libyan people in international conferences.

In the 1990s Libya was subject to severe pressure for three reasons: first, the Lockerbie Crisis and the 1992 UN sanctions against Libya. Although these sanctions did not include a ban on oil exports, they led to the gradual decline of the oil industry for they banned the sale to Libya of pumps and other equipment used to load crude oil for shipments abroad. Secondly, oil prices went down, which meant less money. The third reason was the sudden rise in inflation rate which went from 42% in 1993 to 50% in 1994.

Despite the depressing facts regarding the economic recession and in defiance of the rest of the world, Gaddafi developed projects such as the Great Man-Made River. The gap between the economic mismanagement and huge projects has quenched people's expectations. The absence of social justice and the east-west disputes shook Libya to its core and deeply impacted it economically, socially, and politically.

Charities and civil society have played a political rather than a developmental role. Charity was derived from the state's symbolic capital, especially under the leadership of Saif al-Islam Gaddafi, who emerged as an advocate of free market economy in coincidence with the establishment of the Gaddafi International Charity and Development Foundation (GICDF), known as GIFCA, which later had subsidiary societies.

Civil society, however, became a political football that Saif al-Islam used to gain more power and popularity. GIFCA had minimal impacts in actual life through some charity work. In 2000, Saif al-Islam mediated release of western hostages held by the Abu Sayyaf Islamist radical group in the Philippines. In addition to charity, Saif-al-Islam founded the One-Nine group—a private sector conglomerate. Hence, charity was politicized and became part of the symbolic capital used by the regime to tighten its grip on the country. Philanthropy had no role whatsoever in Libyan community under the suppression which marked the Gaddafi era, in addition to the marginalization and banning of community service and lack of CSOs. Civil society was severely repressed by the Gaddafi regime which constantly attempted to eliminate all forms of philanthropy and fought CSOs, endowments and even Zakat.

After seizing power, Gaddafi issued Law No. 10 of 1971 which elevated awqaf authority to a public institution that confiscated all endowed property (real estate, lands, money). Enthusiasm for endowments waned as state control

12 Awqaf (singular, Waqf) is an Arabic word meaning an inalienable religious endowment in Islamic law, typically denoting a building or plot of land or even cash for Muslim religious or charitable purposes.

13 A sabeel is a water fountain for drinking or, if large enough, for washing up before prayers.

14 A zaouia is an Islamic religious school or monastery.

15 Wild Abah, Abdullah Sayyed. *A Study into Transformations in the Relationship between Endowments and Civil Society Organizations in the Arab Maghreb*. Center for Arab Unity Studies, Beirut. (First edition 2003)

16 Al-Zuraiqi, Jumaa. *The Legislative Framework of the Endowment System in the Arab Maghreb*. Center for Arab Unity Studies, Beirut. (First edition 2003)



increased, thus depriving Libyan philanthropy of one of its main sources.<sup>17</sup> The Gaddafi regime adopted socialism as it nationalized the economy, banned political parties, and stifled civil society activities.

CSOs were almost absent. Theoretically speaking, the number of CSOs throughout the past 42 years did not exceed 17, most of which were mainly involved in orphan care. The space in which these organizations operated was restricted by internal security as per the drastically restrictive Law No. 19 which stated that board meetings of any CSO must be attended by a representative of internal security who shall have almost full control of its activities. As a result, the number of CSOs shrank and their activities in Gaddafi-era Libya was brought to a halt. Volunteerism was negatively affected; there was an extreme lack of volunteers given the absence of active CSOs, except for the scout service and the Libyan Red Crescent.<sup>18</sup>

#### *4.2.1. The Public Scout and Girl Guide Movement*

The Public Scout and Girl Guide Movement was one of the few civil society bodies which escaped Gaddafi's repressive policies and greatly attracted the interests of Libyan youth. It provided a perfect channel for voluntary work as it was one of very few institutions that welcomed young people and pursued different scout activities. This provided an immeasurably important boost to scouting given the recession in civil society activities. In the aftermath of the revolution, Libyans began to establish a real civil society. Scouts and girl guides became involved in CSOs created after the breakout of the revolution. Scouts are known for having great organizational and leadership skills, high degree of accuracy, teamwork abilities, strong interpersonal communication skills, in addition to their experience in the organization of workshops and exhibitions.<sup>19</sup>

#### *4.2.3. The Libyan Red Crescent Society*

The Libyan Red Crescent Society provides another channel for community service and voluntary work which were banned by Gaddafi. Many young people from different areas volunteered at the Red Crescent where they acquired different skills. The Red Crescent Society had suffered the repression and corruption of the Gaddafi regime. However, it developed young volunteers who played a vital role during the revolution. Red Crescent volunteers were always on the frontlines, especially in eastern Libya, delivering humanitarian assistance and distributing food parcels in different frontlines in the south and also in Misrata and the western frontline. The Red Crescent has trained new relief teams and offered first-aid training courses to the public that included classes on the delivery of aid convoys and coordination with civil society to determine the needs of internally displaced persons, or refugees and injured fighters at the frontlines.<sup>20</sup>

### *4.3. The Philanthropy Revolution*

The Libyan Revolution was par excellence a revolution of philanthropy in its wider sense. Philanthropy in Libya and beyond has taken up various forms including civic engagement, volunteerism and charitable giving, especially for youth. Young people aged 16 to 35 constitute the largest age group in Libya. One cannot separate volunteerism from philanthropy given the privacy of the Libyan society and Revolution, in general, and Libyan philanthropy, in particular. Volunteers have contributed greatly to the Libyan Revolution in all aspects, in terms of political management, armed battles and community service. Nevertheless, philanthropy was not limited to civil society. Members of local councils, revolutionary troops, and CSOs were all volunteers in different fields.

#### *Characteristics of Philanthropy in Post-Revolution Libya*

##### *1. The Rise of Philanthropy from Scratch*

Volunteerism rose from scratch in Libya and spread as a popular culture in a record time. Since the wake of the Revolution, it has become an integral component of Libyan daily life.

##### *2. Philanthropy for All Ages and Women's Participation*

Post-revolution philanthropy was not limited to youth. It extended vertically and horizontally to all sectors of the Libyan community, including women and elderly people. Libyan philanthropy is also marked by women's active involvement given that the Libyan society is a deeply conservative one. Several CSOs are led by women. Libyan women supported the Revolution through a multitude of political and civic roles in cities, such as Benghazi, and

17 Wild Abah, Abdullah Sayyed. A Study into Transformations in the Relationship between Endowments and Civil Society Organizations in the Arab Maghreb. Center for Arab Unity Studies, Beirut. (First edition 2003).

18 The humanitarian Forum Report on youth activities in post-Revolution Libya (November 2011).

19 Ibid.

20 Ibid.

in remote rural areas such as al-Wahat and al-Jabal al-Akhdar. This proves that women involvement is not a seasonal behavior, but rather a continuous process that has wide-ranging effects on the Libyan community.

A case in point is Hanaa Habashi (Naomidea) who won an American prize as one of the world's most courageous women. Naomidea acted as the voice of the Libyan Revolution to the world through various means. She communicated with different TV channels, such as al-Jazeera during the Revolution where she described the suffering of the Libyan people. She also gathered information on the location of Gaddafi's militia and presented them to NATO to help and protect the Libyan people. Naomidea maintains that "the role of women during the Libyan Revolution was not limited to the preparation of food for the rebels. Women were the spark of the Libyan Revolution. I remember on February 15 the wives and mothers of the prisoners who were brutally killed at the infamous Abu Salim prison massacre in which 1270 prisoners were killed in 2 or 3 hours. The whole world knows of that massacre. Women transferred weapons from one place to another, others gathered and provided important information. Women were actively present in all fields: media, military, and humanitarian aid. However, they have been forced out of the scene<sup>21</sup>.

### 3. *Philanthropy Goes Beyond Community Service*

Volunteerism in Libya was not exclusively limited to community service. It covered all political, military and economic aspects of life. Young volunteers provided the bulk of the rebel force and militia that fought against Gaddafi's guerrillas to free their country from his grip. Many volunteered in local councils which managed daily affairs in liberated cities and also in hospitals.

This poses a challenge for CSOs which will have to contain the volunteer surplus in other fields, especially that many volunteers resumed their normal lives after the return of stability, particularly those who fought at the frontlines. These young volunteers will also need rehabilitation before being reintegrated into civil society.

## 4.4. *The Phases of Philanthropy*

Community development and the evolution of the concept of philanthropy in Libya went through two phases:

### 4.4.1. *PHASE 1: March to May 2011 (Ad Hoc Phase)*

The first phase may be considered an ad hoc phase that witnessed community response to the events taking place in Libya. The Libyan people, who suffered 42 years of oppressive rule by the late dictator Muammar Gaddafi, had to rediscover the concept of civil society and CSOs. At first, community service took up the form of charity donations by businessmen or in-kind and money donations by ordinary people. These donations were earmarked to the support either the frontlines (food, medical supplies and sometimes weapons) or the internal front in liberated cities in eastern Libya, especially the poor and those who were displaced from areas close to battles such as Ajdabiya in the east and Misrata in the west. Thus, CSOs began to emerge first in Benghazi, then in Bayda and Derna, then throughout eastern Libya.

#### *Characteristics of Phase 1: The Development of Civil Society post Revolution*

#### 1. The Creation of Relief-Oriented Organizations

Relief-oriented organizations, such as Nida al-Khair Society, emerged during the revolution. They focused on emergency response, providing medical and food supplies—and sometimes arms—to combatants and also to populations in dire need due to the ongoing conflict and halt of the economy. Many lived below the poverty threshold as they received no salaries, especially in eastern Libya. Huge numbers were displaced from western Libya—the main battlefield—in addition to those displaced from eastern Libya such as Ajdabiya (10,000 refugees in Bayda alone)<sup>22</sup>. In the footsteps of Muhajirin and Ansar, the local population hosted refugees and asylum-seekers in their houses, especially in eastern cities, hence moving beyond traditional emergency response. Charities and CSOs in the east also provided emergency relief to the southern population, especially in Kufra oasis, then Misrata in the west through the sea, in addition to the aids provided to the Western Mountain combatants.

#### 2. Voluntary Work

Individual and voluntary efforts clearly marked that period. Luckily, many individuals adopted community initiatives that helped boost Libyan civil society. Separate CSOs were formed that maintained strong (personal and family) relations with other bodies in a relatively small local community. Organizations were created by local activists and Libyan expats and exiles. Other organizations were established by traders, businessmen and intellectuals to support

21 Interview with Hanaa Habashi with Waseela Awlami.

<http://www.aljazeera.net/programs/pages/308cd666-acff-41b6-924b-592c9018c6db>

22 Libyan Humanitarian and Relief Agency (LIBAID) Report, June 2011



the Revolution nationally and internationally. This proves that civil society is an integral part of any community, an insuppressible humanitarian urge and the backbone of volunteerism.

An example of such organizations is Volunteer Libya which was established by a group of young Libyans living in the USA, and the Voluntary Libyan Doctor Program which offers diagnostic medical services.

### 3. Inclusive Networking and Lack of Coordination

The Libyan civil society emerged as a community reflex to the Revolution which turned into an armed struggle, or rather a regular war against the Gaddafi regime. There were organizations that shared the same but coordinated roles, which is natural in such circumstances. This happens in any ordinary society, but varies according to the development level, magnitude, nature and situation of each country. The Benghazi-based Libyan Civil Society Organizations Union was one of the first attempts at coordination between CSOs. It was founded by a group of organizations operating in Benghazi including Tadamun Society for Human Right, Attawasul Association for Youth, Women and Children of Free Libya, the Libyan Human Appeal Team, and Sanabel al-Hidaya society. Bayda has seen a similar attempt where I'tilaf al-Khair (Charity Union) was created as a local association of CSOs in Bayda, al-Jabal al-Akhdar District. Such unions have partially succeeded in uniting civil society through the joint organization of training workshops and aid convoys such as those sent to combatants in Misrata and Nafusa Mountain.<sup>23</sup>

### 4. Fluctuating Funding and Dependence on Individual Self-made Efforts

Libyan, especially eastern, cities have suffered an acute cash-flow crisis. Banks did not have enough cash as many withdrew large amounts of money in the wake of the Revolution while others transferred their money abroad. More importantly, the Gaddafi regime transferred huge sums to Tripoli and cut off remittances and salaries from the whole eastern area. Additionally, the Gaddafi rule was marked by extreme centralization where Tripoli was the center of money and power. This caused a severe cash-flow crisis in eastern Libya and liberated areas that had large impacts. The nascent CSOs were naturally affected as they depended entirely on individual in-kind and in-cash donations from local and expat Libyans. Their funds also came from in-kind donations (food and medicine) from neighboring countries and countries which recognized the National Transitional Council (NTC) as Libya's de facto government, such as Egypt, Turkey, Tunisia, Qatar and the UAE. To survive the financial crisis, CSOs had to create a local network, establish relations with international bodies, and cooperate with the NTC.

### 5. Types of Libyan Civil Society Organizations

- Organizations established by the population of main cities

These are the organizations which emerged in the aftermath of the Libyan Revolution in liberated cities, especially in eastern Libya, Misrata and the cities of al-Jabal al-Gharbi (Western Nafusa Mountains) in western Libya. The majority of Libyan CSOs fall under this category and they vary in terms of magnitude, experience, capacities, fields of operation and services. Despite their short existence and limited experience, many of these organizations are remarkably effective such as the Benghazi-based Attawasul Association for Youth, Women and Children of Free Libya and Sanabel al-Hidaya society, Lamsa Medical Charity Organization in Derna, the National Reform and Development Society in Tobruk, Zad al-Khair Society and the Libyan Association For Humanitarian Aid in Bayda, and finally the Misrata Charity.

- Organizations founded by expatriate Libyans

The Gaddafi regime did not allow anyone to hold counter political opinions, which drove a large number of Libyans to reside overseas, whether as fugitives, expelled, exiled or voluntarily. Many Libyans lived in Egypt, the UK, Switzerland, the USA and other countries. After the breakout of the revolution, many of them returned to their homeland, especially to Benghazi and eastern Libya in general, where they founded CSOs that may be classified into:

- » Branches of foreign organizations founded by expat Libyans

Organizations created after the Revolution as branches of foreign organizations established before the Revolution by Libyans overseas. They are marked by international expertise and wide knowledge of community service. A case in point is the originally Swiss Tadamun Society for Human Rights and the British al-Wafaa Charity.

23 Report by the Charity Union, June.

- Tadamun Society for Human Rights

It is a human rights advocacy organization founded in 1999 by Dr. Ahmed Quweidy, a Libyan doctor living in Switzerland. It was not possible to establish such an organization under Gaddafi's iron-fist rule. This drove Quweidy to live abroad. However, in the wake of the Revolution he left Switzerland and opened a branch for his organization in Benghazi which was one of the first CSOs to operate in Libya after the revolution. Tadamun depended mainly on young volunteers, especially females. It documented the violations and crimes committed by the Gaddafi regime before and after the revolution, especially in besieged cities. It also exposed critical cases such as the victims of the 1996 Abu Salim prison massacre.

Tadamun opened a branch in Tripoli after its fall in the hands of the rebels and moved the main branch from Switzerland to Benghazi, thus becoming a completely Libyan organization.<sup>24</sup>

- » Libyan CSOs founded by expat Libyans

These are relatively similar to the first type in terms of experience, knowledge of civil society, and available resources. However, these organizations were founded in Libya post Revolution such as the Libyan Human Appeal Team and the Libyan Humanitarian Relief Agency.

- Libyan Human Appeal Team

It is one of the forms of philanthropy at the time of crisis. It was founded by Libyan businessman Salah al-Bira only one week after the breakout of the revolution. Its aim was to provide financial, food and medical support for those who were displaced from battle areas, injured persons and combatants at the frontlines. It also aimed to send aid convoys to affected areas. After the end of military combats and the toppling of the Gaddafi regime, the Libyan Human Appeal Team provided medical supplies to injured combatants and offered them rehabilitation programs. It also supported the families of those killed in combat<sup>25</sup>.

- Lawyers for Justice in Libya (LFJL)

LFJL was established in response to the February 17, 2011 uprising in Libya by a network of Libyan international lawyers living in the Diaspora, with the aim of using their legal expertise to seek routes to the promotion of human rights, the establishment of the rule of law and the facilitation of a smooth transition toward a democratic and inclusive Libya. Collectively, LFJL's members have expertise in international human rights law, the law of armed conflict, international arbitration, transitional justice, corporate law, finance law, and oil and gas law. LFJL also maintains a growing network of talented Libyan lawyers, currently in excess of 60 lawyers, working on the ground across all regions in Libya.

#### 4.4.2. PHASE 2: June 2011 to date (Self-Rediscovery Phase)

This phase is a mature phase as compare to the ad-hoc phase. CSOs became more experienced in addressing the needs of civil society. Key indicators include:

1. Increased Coordination of Volunteerism and Relief Efforts

An important indicator is increased coordination of volunteerism and relief efforts, especially for convoys sent to the frontlines by CSOs in cooperation with local bodies in different Libyan cities, the United Nations and international relief NGOs operating in Libya. This phase also saw increased cooperation on the distribution of relief material over displaced persons and needy families in Libya as well as Libyan refugees in camps in Tunisia.

An example of these collaborative efforts is the establishment of institutions such as Libya One, a group of independent national and international experts who joined forces in March 2011 in response to the Libyan crisis. As the situation in Libya became relatively stable, these institutions geared their efforts toward the reconstruction process and the promotion of democracy in Libya. Libya One offers its expertise in high priority fields such as media, communications and civil society. It has an office in Tripoli and another in Benghazi, in addition to expat Libyans who are willing to help.

2. Various Community Service Channels and New Organizations

Community service in the self-rediscovery phase became no longer limited to relief efforts given the long span of the combats and stability of aid efforts, especially that the rebels took control of several cities. Numerous types of CSOs

<sup>24</sup> Interview with Dr. Ahmed al-Quweidy, Chairman of Tadamun, January 2012.

<sup>25</sup> Interview with Bashir al-Kabti, Executive Director of the Libyan human Appeal Team, 25 November 2011.

evolved—though older models of charitable relief persisted—and engaged in human rights, media, youth, environment, public health and women. Vocational unions for teachers, fishermen and even barbers were also established. The financial resources of these organizations differed from one city to the other, especially in eastern Libya.

Benghazi and Derna had the lion's share of development in terms of quantity and as well as quality. Many more specialized organizations emerged, especially in Derna, such as heritage preservation societies which reflect the qualitative development of civil society. Quantity-wise, the number of CSOs within 8 months reached 200 in Derna alone which has a population of 80,000<sup>26</sup>. Benghazi, the Revolution hub and one of the major cities in eastern Libya, saw similar development. It has a population of some 800,000 (i.e. 10-fold more than that of Derna) and houses more than 300 CSOs.<sup>27</sup>

### 3. Libyan Civil Society Networking

Civil society networking is an important means to boost philanthropy and community service. Different forms of networking appeared in Libya, such as the Alliance of Libyan Civil Society Organizations and the Libyan Civil Society Organizations Union; in addition to local networks such as Etelaf Al-Khair (Charity Coalition) in Bayda. Eastern Libya houses 3 networks while western Libya houses 10 networks. In this study we shall focus on the first founded and most active network: the Alliance of Libyan Civil Society Organizations.

### 4. Alliance of Libyan Civil Society Organizations

The Alliance of Libyan Civil Society Organizations is an example of collaborative philanthropic efforts. It is a national independent civil institution which coordinates among and provides consultation to member organizations. It was founded on 16 April 2011 amid the humanitarian crisis which unfolded in Libya. The constantly growing Alliance includes more than 15 CSOs and philanthropic foundations operating in different fields including charity, relief and humanitarian aid, rights advocacy and the environment. Its General Assembly, which is constituted by all member organizations, convenes annually to elect members of its Coordinator Council (12 organizations) which in turn elects a chairman every month. The Council sets out the Alliance's general policy and monitors the performance of the Executive Director<sup>28</sup>. More than half the members of the Alliance—51 organizations—are seated in Benghazi. Bayda comes next with 18 organizations, which means that the two cities house almost two thirds of the members. This concentration in a limited number of eastern cities poses a serious challenge for the Alliance which will have to carry out more expansions in western Libya and also within eastern Libya.<sup>29</sup>

#### 4.4.3. The Philanthropy Map and the Libyan East-West Community Development Balance

Animosity between eastern and western Libyan populations was one of the problems which the Gaddafi regime tried to stir. However, the uprising in western cities (such as Misrata, Ajdabiya and the Western Mountain cities) has aborted that plot. CSOs boomed in eastern Libya which managed to slip Gaddafi's grip in the early days of the revolution—save for the peripheral oil towns: Brega, Ras Lanuf. In contrast, heavy fighting flared and persisted in western Libya which became the main battlefield. Subsequently, CSOs in the east gained more experience and civil society to grow through direct contact with international organizations. Operating in times of crisis has helped these nascent eastern organizations to accumulate wide knowledge and experience despite their short existence. This allowed activists to gain firsthand experience and helped develop effective community leaders.

Nevertheless, the gap still persists even after the fall of the Gaddafi regime and the liberation of the whole country. Western Libya was introduced to CSOs only after the military operations ended, especially in Tripoli, with exceptions such as Misrata which was introduced to these organizations earlier. Also, the needs of the eastern community differ from those of the western community. The latter suffers massive destruction of its infrastructure and community makeup in addition to the psychological and material impact of war on local communities. Thus, western Libya is more in need of reconstruction efforts. The eastern region was subject to slight partial destruction; its infrastructure is mostly intact and its civil society is stable. This led to a development gap between eastern and western Libya that is likely to persist for years.

CSOs have taken great strides in western Libya due to the high needs, dense population and great funds which surpass those in eastern Libya, especially in Tripoli.

26 Libyan CSOs database – Humanitarian Forum.

27 Ibid.

28 Interview with Abdullah al-Mutradi, Executive Director of the Alliance of Libyan Civil Society Organizations.

29 Ibid.

## 5. Funding Sources of Civil Society Organizations

Philanthropy took up different forms during the revolution. Naturally, funding sources of philanthropy varied given the revolutionary surge which re-introduced philanthropic giving to the Libyan community. Philanthropy in post-revolution Libya may be classified into: in-house philanthropy and overseas philanthropy.

### 5.1. First: In-House Philanthropy

#### 1. Individual Donations

Individual donations by all sections of society including businessmen, tribe leaders, employees, and middle-class men and women, are a key funding source for philanthropy in Libya. These donations included in-kind and in-cash contributions to provide relief material and asylum for displaced persons—even in ordinary people's houses—in a bid to repeat history<sup>30</sup>. Philanthropic giving at that stage was driven by national and religious duty where it was considered by some as a form of sadaqa or Zakat, and by others as a national duty and huge community need.

Philanthropy extended to include funding of CSOs, i.e. funding mediating institutions to provide relief aid. The role of these institutions developed as the revolutionary fighters advanced and eventually toppled the regime. They pursued various non-relief activities, such as youth action, the promotion of democracy, and human rights advocacy.

#### 2. Institutional Philanthropy

Libyan institutions and CSOs engaged in philanthropic giving. A considerable part of their funds came originally from individual donations; however, some of them became financially independent such as the Libyan Human Appeal Team.

#### 3. Corporate Philanthropy and the Role of the Oil and Gas Sector in the Transitional Period

Libyan corporate philanthropy is unorganized and limited given that private companies in Libya are weak and suffer the lack of laws addressing corporate social responsibility. However, this was not an obstacle for some companies, such as the Arabian Gulf Oil Company (AGOCO), an oil company based in Benghazi that established a subsidiary institution to fund CSOs and relief operations in June 2011.

In an attempt to boost qualified youths that were marginalized in the past to be leaders in oil companies and the Libyan National Oil Corporation, the February 17 Coalition established the oil and gas sector to emphasize the social responsibility of oil and gas companies, especially those operating under long-term contracts. Another aim was to drive those companies to be effective players in social development in different fields including health, education and environment. Companies such as ExxonMobil and Petro-Canada were said to have invested some 50,000,000 USD in corporate social responsibility programs.

#### 4. Philanthropy of Official Institutions

This type of giving was mostly in-kind donations where universities and local councils offered their halls to CSOs, initiatives and social activists for free. Schools were turned into offices for CSOs and houses for internally displaced persons.

### 5.2. Second: Overseas Philanthropy

#### 1. Libyan Expat Remittances and Donations

Donations and remittances by Libyan expats are an important source of philanthropy, especially at the time of war. Libyan communities living abroad—especially large ones in Egypt, the UK, Switzerland and the USA—transferred large amounts of money and provided humanitarian aids needed by Libyans at home.

Shortly after the Revolution started, the El-Ahrar television channel was founded by a group of Libyan journalists living in the country and beyond to counter Gaddafi state propaganda. It aimed to broadcast news and opinions on revolutionary Libya, thus sparking debate about post-Gaddafi politics.

An expat Libyan businessman living in the UK donated 25,000 USD to launch El-Ahrar TV channel. Its founder is Mahmud Shammam, a well-known Libyan expat journalist who edited the Arabic edition of Newsweek. Mahmoud Jibril of the National Transitional Council (NTC) is the head of the station's executive committee.

<sup>30</sup> In Muslim tradition, the Ansar, the Muslims of Al-Madinah, gave asylum to their Muhajirin brethren (Muslims who left their homes and wealth, emigrating to give support to Allah and His Messenger) in their own homes and comforted them with their wealth.

## 2. Philanthropy of Libyan Institutions Abroad

Many organizations founded by expat Libyans, such as the Swiss Tadamun Society for Human Rights and the British al-Wafa Society, moved to Libya right after the breakout of the Revolution where they pursued all kinds of direct and indirect philanthropic activities.

## 3. International Bodies Operating in Libya

Before the revolution, there were no international organizations, whether governmental or non-governmental in Libya. However, several of these organizations came to Libya to provide relief assistance and to develop community programs. Governmental bodies (such as USAID, UK Aid, the Turkish Red Crescent, Qatari Red Crescent and the European Union) and non-governmental organizations (such as Human Rights Watch, the Humanitarian Forum, ACTED, Freedom House, Islamic Relief Worldwide and the Arab Doctors Union) have made remarkable contributions to the Libyan society.

## 4. Foreign Companies Operating in Libya

Philanthropic giving by foreign companies operating in Libya is relatively weak compared to their magnitude. There are not many examples save for Wintershall AG, a German crude oil and natural gas producer, which supported civil society activities in al-Wahat area.

# 6. The Role of Libyan Youth

Youth played a leading role in change as fighters against the Gaddafi regime. Some of them formed militia that led the war against Gaddafi's guerilla. There were also volunteers who provided media coverage and transmitted it to the world. Some created a media center, Libya Alhurra TV and others. Others helped send relief convoys to besieged cities, the frontlines and displaced persons. At a later stage, many of those either founded or joined CSOs.

Hence, volunteerism took up various forms during the Libyan revolution, after the fall of the Gaddafi regime and end of military operations where Libyans entered into a reconstruction phase. This change would drive volunteerism and youth action to take new turns. Libyans are now seeking to integrate those who remained within revolutionary militia into the army. Additionally, private media channels have emerged. This leaves only one choice for volunteers: full integration into civil society.

As part of this study, seven focus groups were held in Benghazi (February 2012) and Tripoli (March 2012) to explore the views of Libyan youth on their civic participation and linkages between it and understandings of nationalism after Gaddafi. In both Tripoli and Benghazi, it was clear that the Revolution had engendered a rebirth of nationalist sentiments in Libya; Libyans were all united against Gaddafi and that brought about a unity that they had not experienced before. In Benghazi, participants highlighted the emergence of a newly found nationalism post-Gaddafi; one of the participants described this saying: "Under Gaddafi, I did not feel Libya was my country, I felt like a stranger, but this has changed now."

Participants underscored the emergence of a new ownership of their country and a sense of belonging that not only was leaderless but that also rejected the idea of a leader. One of the participants related how "Gaddafi was everywhere, in the university, in the curricula, at home and in the neighborhood." They now reject monolithic leadership, a reminder of the autocratic days of Gaddafi. One of the participants said: "there are people who are trying to assume leadership of the Revolution and the public refused them. The public has proven that they are up to the responsibility; they have established the NTC. In the 1950s and 60s, there were books that promoted the idea that no more revolutions would happen in the world. The Arab Spring has proven this wrong and now there are leaders everywhere, each Libyan is a leader within their community, within their family. This is the miracle of the Arab Spring: each person became a leader."

However, participants also underscored the persistence of some of the malaise from the old regime which included: politicized tribalism, lack of trust of the political leadership and among themselves, and a history of exclusion of Benghazi by the leadership on economic and political levels, an exclusion that persists by the NTC and that influences their cohesion as a nation.

In Tripoli, participants also underlined the debilitating legacy left behind by Gaddafi. One of the participants summed it up saying: "Gaddafi asked 'Who are you?' or 'man antom?' And the Libyan people responded with a revolution. Now the question is not 'who is the Libyan?' but 'What does the Libyan citizen need or want?' Gaddafi reduced the Libyan needs into housing, gas and a woman to marry. This mindset needs to change." They unanimously highlighted how the NTC was mismanaging the transition and failing to present a break from the Gaddafi regime.



Below are the major themes that emerged in the discussions:

### *6.1. Sacrifice and Public Participation*

One of the significant remarks articulated by two of the participants in Benghazi linked sacrifice and public participation to nationalism. They argued that Benghazi, as compared to Tripoli, sacrificed more during the Revolution and as such it was more nationalistic than Tripoli. The more bloodshed of the indigenous people, the more nationalistic they were and since Benghazi has always been the seat of revolt throughout Libya's history and during the Revolution against Gaddafi, it was ahead of Tripoli regarding nationalism.

In Tripoli, the issue of sacrifice was brought up as related to the Libyan diaspora returning to Libya post Gaddafi. Much criticism was directed to those who had fled the country under Gaddafi and came back after the fight was over but never really sacrificed as much as the indigenous inhabitants; how "nationalistic" the diaspora were was brought up a number of times. This is indicative of relativity of nationalism in people's minds and how it is directly linked to sacrifice and participation in the public space (protests, civil society, aid, etc.). This is also related to the bigger issue which is reconciliation and openness in Libya amongst the Libyans who were there and have been through the Revolution as supporters of Gaddafi and as fighters against the regime. Feuds between tribes and families remain a very sensitive topic. One of the participants from Tripoli related how his city Misrata was raided by the Tuareg tribe and that even after the revolution, there is a feud between both with very little readiness for reconciliation by the people in Misrata.

### *6.2. Trust*

Nationalism implies an implicit sense of trust amongst the inhabitants of a nation. Public participation was featured in microcosms of the national public space such as the squares in Benghazi and Tripoli. Public space was marked by a unique sense of trust and solidarity among citizens of the nation. However, this solidarity is slowly getting diffused into the old fragmentation. Participants in Benghazi related how Gaddafi used the "divide and rule" method to solidify his power. He planted the seeds of distrust within the people by instituting a police state. Mentioning Gaddafi or the regime in public was likely to get entire families imprisoned without trial. A culture of fear dominated the Libyan scene, as a result, and people could not trust one another. In the period post-Gaddafi, there was a spike in trust as people united against the regime. However, some of the residual fears are back in place especially for the older generation.

Another element affecting trust is the spread of arms and weapons; one of the participants from Benghazi related how people were not really given a chance to bond, or build a sense of solidarity as such, because unlike other revolutions around the region where peaceful protests were allowed some time and people gained experience from mobilizing and organizing themselves, in Libya, they were not given a chance because the Revolution quickly became a war and so people, immediately, were forced to take up arms and fight. He said: "We benefitted from other revolutions, the Egyptian and Tunisian on how to organize ourselves peacefully. Peace didn't work here."

In Tripoli, dissatisfaction with the NTC's management of the transition was reiterated by the participants. This lack of leadership, they explained, has revived part of the old distrust of Gaddafi's regime; distrust towards the government, the diaspora and even among the Libyan people. The spread of weaponry is an example; 50% of the focus group participants acknowledged the fact that they had weapons at home and in their cars because they felt unsafe.

### *6.3. Politicized Tribalism*

Politicized tribalism is related to the trust issue but is also at the heart of the Libyan nationalist question. Historically, due to the absence of strong state structures, the tribe became an important instrument of maintaining order that supplemented the state apparatus in many roles. The tribe as an institution, however, slowly gave way to forms of nepotism and corruption. Its political role has now become more contentious than before. One of the participants in Tripoli said: "Use the tribes in good things for they are part of your culture, your family but not in politics. Or else, don't complain if they hurt you." The politicized role of the tribe—especially in light of the power vacuum and the NTC's inability to provide adequate leadership—is splintering the nationalist unity of the revolution.

### *6.4. Gaddafi's Legacy and a Culture of Exclusion*

On watching how their country was identified and equated with Gaddafi, expat Libyans felt excluded. This sense of alienation was articulated by a participant from Tripoli saying: "Our sense of nationalism was hurt. When I traveled abroad, people identified Libya with Gaddafi. I used to hate Gaddafi's Libya. I used to hate it and never felt it was my country." Their revived nationalism was short lived after the Revolution because, they argued, the NTC used the same



discourse as Gaddafi in response to calls for federalism. Freedom of expression implies acceptance of the other, however the NTC considered those calling for federalism as traitors.

Gaddafi's legacy of use of force was underscored as a threat to the transition. The idea of making change, even political change, through the use of force has been embedded in people's minds throughout the 42 years of his rule. This would need to change to make a successful transition. Related to the use of force was a culture of exclusion; tribes favored their own people and appointments were made based on one's tribe and not on merit. This culture of exclusion was highlighted by one of the participants from Tripoli who said: "In any given company, most employees would be from the same tribe; we already practice federalism and exclusion." Those divisions are starting to re-emerge in the post-revolution period.

## 7. A Glimpse into the Future of Philanthropy in Post-Revolution Libya

Looking into the future of philanthropy and CSO funding is of paramount importance, especially as Libya departs from the state of war and instability into a reconstruction and stability phase. Libya has taken great strides in the transitional period including the election of the General National Congress (GNC) which will draw up Libya's new constitution, the laws regulating political practices, economic laws and civil society laws.

CSO funding sources and rules must be revisited amidst the current social and political upheavals in Libya. CSO autonomy and independence must be maintained away from legislative barriers. Before the revolution, both legislatures and civil society lacked experience to deal with philanthropic giving in general and CSO funding in particular. In this section, we shall review the funding sources that are most applicable to the Libyan society.

### 1. Awqaf (Religious Endowments)

Awqaf are an important—and historically the oldest—source of philanthropy in Libya. They are particularly significant since they are part of Arab Islamic culture which is part of the Libyan makeup. Endowment funds are a sustainable increasing source that can cover multiple philanthropic forms. An endowment can play a key role in supporting CSOs, especially at this critical stage of Libyan community service.

There are attempts by key players in Libyan civil society, albeit the Ministry of Culture and Civil Society and the Alliance of Libyan Civil Society Organizations, to revive the role of endowments, though all plans are currently frozen. Endowments will later be apt to form a main funding source for the Libyan civil society.

### 2. Corporate Social Responsibility

Corporate social responsibility is a new source for philanthropy that emerged in Libya after the revolution. It can play a central role in funding civil and philanthropic activities, given the investment flux and increase of multinational companies operating in Libya; in addition to national companies craving for recognition in the economic transition. Social responsibility has become part of corporate culture worldwide, though it needs Libyan legislative support.

Although there are no legal obligations nor clear incentives for corporate social responsibility, there are some attempts to urge companies to join the philanthropic community. A case in point is the Libyan International Telecom Company which sponsored CSOs monitoring the elections.

### 3. Individual Donations

Individual donations will remain an important source of philanthropy. However, after the revolution, they are gradually shifting from emergency response to charity and development-driven activities. Indicators of such change include individual funding of CSOs assigned to monitor the elections.

### 4. International Organizations

The role of international organizations in Libyan community service is expected to grow, especially European, American, Turkish and Qatari organizations. After the revolution, many international organizations flocked to Libya and spent generously to fund community service. International support will be technical rather than financial. The European Union, for example, adopts a CSO support strategy where it offers them technical support and training. Recognizing that training and transfer of expertise is much more important than pouring money onto the Libyan civil society, the EU offered some 15 million euros to fund capacity-building programs in Libya in the fiscal year 2011/2012.

Philanthropy in Libya is not a casual product; it is not a mere outcome of the revolution, or fashion of the age; its roots are deep in Libyan soil, though subdued during the Gaddafi rule.

This study presents an analytical forecast of future trends and funding prospects for philanthropy. It also explores means for creating a sustainable philanthropic model and a free giving civil society that would create a new Libyan society as strong as its revolution.

Funding sources of philanthropy at the peak of the revolution were reviewed as well as potential funds, especially that the Libyan revolution and civil society are still in transition.

Transitional challenges and tough twists are a natural consequence of a revolution such as the Libyan Revolution. Many CSOs, for example, froze their activities due to lack of funds, especially after relief operations ended. However, many others survived that stage and so did several CSOs that emerged afterwards. In other words, philanthropy will be sustained and develop according to the progress of the Libyan Revolution as the country moves from turmoil to stability.



# Tunisia

Monji Zidi

# 1. Introduction

This is a preliminary overview of the forms and practices of philanthropy in Tunisia and the changes brought about with the January 14 Revolution. By looking at shifts in Tunisian civil society pre and post Ben Ali, this paper explores changes in philanthropic practices that are critical to sustaining the energies of citizen mobilization of the “Arab Spring” as well as a dynamic and evolving civil society; both of which necessary to a smooth transition.

There is still scarcity in studies on Tunisian philanthropy practices and transformations, although philanthropy is a deep tradition in Tunisia as in all Arab countries. Comparative studies on civic engagement and philanthropy in the Arab world are also rare, except for some studies that lack adequate academic rigor and have imprecise data or do not cover the Arab region entirely.

This study offers an overview of civil society organizations in Tunisia, particularly those engaged in charitable work and developmental activities through funding and financial support. It seeks to present different models of those organizations and to present a close analytical reading of the tide of change which swept civil society in the aftermath of the January 14, 2011 Revolution, highlighting the role played by youths and their civic engagement initiatives in terms of current gains and future outcomes.

Methodologically, the study draws on selected bibliographies, chiefly studies on philanthropy in the world and the Arab region. The WINGS/TPI study<sup>1</sup> and other studies conducted by the Organization for Economic

Co-operation and Development (OECD)<sup>2</sup> and the European Union were of great benefit.

Analytically, the study builds on a body of legal and statistical texts from different administrative and financial sources and references. It also relies on a field study that addresses a number of societies which proved important in that context, in addition to a comprehensive survey made through social networks on philanthropic practices brought by the Revolution.

## 1.1. Scholarly Literature on Philanthropy

Scholarly literature on civil society practices is relatively recent and insufficient in the Arab region although associations in their modern sense date back to the late 19th and early 20th centuries. The first studies appeared in the region, including Tunisia and the Maghreb, in the 1980s and were mainly concerned with politics, the individual-state relationship, civil society and social movement concerns under prevailing authoritative regimes.<sup>3</sup>

Scholarly literature in the Maghreb region may be classified as follows<sup>4</sup> :

- Historical/theoretical studies that seek to define civil society and trace its emergence and development in the region
- Studies on freedom of civil society practices
- Studies on civil society and democracy
- Studies on the position of civil society organizations in their external context and their roles and impact. These most probably focus on feminist movements, human rights societies, cultural specificity and advocacy groups
- Studies on internal issues in civil society organizations, especially governance and participation.

A glaring absence of attention to philanthropy in its different charitable forms can be detected in the whole Arab region. The WINGS/TPI study points out that this poses a major obstacle to the development of such philanthropic foundations. It also hinders the analysis of the different trends of philanthropy and charitable work and the examination of their impact on societies.

In addition to the scarcity in studies and information, research on philanthropy suffers from a confusion in concepts and fundamentally disparate references in outlining the parameters of philanthropy. The diversity of philanthropic foundations and experiences throughout the world adds richness to the field, yet it poses intriguing challenges for the classification and selection of adequate data collection and comparative study approaches. Most research studies and statistical analyses either draw on legal sources, or resort to cultural and social definitions springing from mainstream community concepts.<sup>5</sup>

1 WINGS/TPI: Global Institutional Philanthropy: A Preliminary Status Report .

2 Organisation de Coopération et de Développement Économiques. Comité d'Aide au Développement: Fondations philanthropiques et coopération pour le développement 2003

3 Belaid Habib ;Approches Historiographiques des Associations en Tunisie à L'epoque Coloniale. In, Hermes, Histoire en Réseau Pour Les Medi terrannees.

4 Rabéa Naciri ; Les organisations de la société civile en Afrique du Nord, Algérie, Maroc et Tunisie. Version provisoire. In Revue de Littérature. Maroc 2009

5 WINGS/TPI: Global Institutional Philanthropy: A Preliminary Status Report. OPCIT



## 1.2. Mapping Concepts and Definitions

The term 'foundation' is usually associated with an organization that is engaged in philanthropic practices. However, the definition and use of the term differs from one country to another<sup>6</sup>. Its Arabic equivalent (mu'assasa) is primarily used to refer to an 'institution' which bears other meanings in the social sciences that may not reflect the voluntary nature of philanthropic foundations.

The Arabic Language Academy in Cairo defines 'mu'assasa' as "any organization that aims to gain profit by production or exchange," a definition that applies to commercial entities rather than non-profit organizations.<sup>7</sup> The term is also widely used in western countries to refer to non-governmental and non-profit organizations that are not necessarily engaged in philanthropic activities, such as funding trusts, research laboratories and pressure groups.<sup>8</sup>

Many charities have developed into foundations of crucial importance in socio-economic life. This has caused a major concern for civil society as the financial arrangements could adversely affect the independence of civil society associations. Besides, tax exemption privileges granted to those associations may open loopholes for tax evasion.<sup>9</sup> Also, funds offered by major western grant-making foundations to support developmental projects in developing countries may be used as a cover for political intervention and economic exploitation.<sup>10</sup>

Charities, in western terms, differ from associations. The French Act of 23 July 1987 defines charity as "a legal act through which one or more individuals or legal entities decide irrevocably to allocate property, rights or resources for a non-profit making activity of public interest." Hence, the European charity system resembles the Islamic Waqf<sup>11</sup>.

In U.S. literature, the most frequently cited definition of a foundation is that developed by F. Emerson Andrews who maintains that foundations are "non-governmental, non-profit organizations with funds (usually from a single source, either an individual, a family, or a corporation) and a program managed by (their) own trustees or directors, established to maintain or aid social, educational, charitable, religious, or other activities serving the common welfare through the making of grants."

Based on Andrews' definition, foundations fall into five categories: public welfare foundations, private-purpose foundations, private or family foundations, industrial foundations and community foundations. The above classification applies to what is known today as 'private foundations'. Public foundations, in contrast, normally receive their funds from multiple sources, including private foundations and government agencies, as well as fees for services<sup>12</sup>.

The WINGS/TPI suggests six broad categories of institutional philanthropy: independent foundations, corporate foundations, community foundations, host-controlled funds, government-linked foundations and multipurpose fundraising institutions. Despite the general procedural nature of this typology, it does not apply to all countries. For example, it does not include family foundations, religious charities, or other new initiatives.

As for Tunisia, the term 'foundation' does not exist in legal instruments governing civil society activities, although some of them bear the name 'foundation'. The most commonly used term in Tunisia is 'society' or 'association' where the philanthropy landscape includes charities, aid groups, community groups and development groups.

This study employs the Gerhart Center's definition which is "the institutionalized pooling and distribution of private resources with the goal of building capacity, sustainable financing and expertise for long-term societal benefit."

This scan covers legally-recognized philanthropic institutions established before the Revolution and still exist in the philanthropic landscape. It also covers associations that emerged after January 14, 2011, as announced in the Official Gazette of the Republic of Tunisia, until October 2011.

6 Ibid.

7 Rida Khamakhim al-Jamiyat fi Tunis (Tunisia 1999), p. 44.

8 Fondations philanthropiques et coopération pour le développement. OPCIT P14.

9 Ibid.

10 Ibid, also check Azmi Bishara: Civil Society Critical Study with Reference to the Arab Community. Center for Arab Unity Studies in Beirut. 2000. Pp. 278 et seq.

11 Warren Weaver U.S. Philanthropic Foundations – Their History, Structure, Management and Record (New York, Evanston et Londres, 1967).

- Waldemar A. Nielsen The Big Foundations (New York et Londres, 1972)

- Edward H. Berman The Influence of the Carnegie, Ford, Rockefeller Foundations on American Foreign Policy (Albany, 1983).

- Ellen Condiliffe Lagemann Philanthropic Foundations: New Scholarship, New Possibilities (Bloomington, 1999)

- Heather MacDonald The Burden of Bad Ideas (Chicago, 2000)

12 Organisation de Coopération et de Développement Économiques (OPCIT).

## 2. Historical Transformations in the Tunisian Philanthropic Landscape

### 2.1. Religious Origins of Philanthropy

Philanthropy is a deeply rooted social tradition in human behavior since early times and took up various forms. Since altruism, generosity and love for others are genuine human traits; religion is the primary source for charity work conceptually and procedurally. All the world's religions enjoin the faithful to give to be charitable, and to relieve the pains and suffering of the poor. Judaism includes the custom of tithing, i.e. reserving one-tenth of one's earnings for benefactions (tzedakah). Indeed, Biblical precepts clearly underlie philanthropy in laic Europe. In 1958, there was a call by the World Council of Churches (WCC) for 1% of industrial countries' income to be channeled to developing countries. The Jubilee 2000 campaign to cancel Third World debt was a Christian initiative, based on the Jewish tradition of remitting debts every 50th, or jubilee, year.<sup>13</sup>

One of the five pillars of Islam commits Muslims to give to the poor: [And in their wealth there was a due share for the beggar and for one who is denied (good)] (Adh-Dhariyat (The Winnowing Winds: 19)). Zakat<sup>14</sup> became a pillar of the Muslim social system that is always associated with salat (obligatory Muslim prayers). It was the primary funding source for *Bayt al-Mal*<sup>15</sup> to equip armies and build forts, schools, hospitals, bridges and libraries<sup>16</sup>. Other forms of Islamic philanthropy include *sadaqah*<sup>17</sup> and occasional donations. Donations may include real estate, wealth, *awqaf* (endowments), and *wasaya* (bequests) dedicated to public and private welfare (studying, treating patients, supporting the needy, equipping armies, etc).<sup>18</sup>

The Tunisian community has never strayed from that tradition. Numerous charities have been established since the late 19<sup>th</sup> century, in addition to local civil society organizations and Sufi *zawaya* (institutions). A number of philanthropic associations are engaged in supporting minorities (French, Jewish, Belgian, Swiss, Maltese, British, Algerian, etc) living in Tunisia.<sup>19</sup>

### 2.2. Philanthropy and the Historical Development of Charities in Tunisia

The first Tunisian charity was established in 1775 by orders of the then Husseini Bey to build the Tekiah foundation to shelter the poor and the disabled. It was funded by the returns of endowments or *awqaf*. On 19 March 1857, a royal decree was issued to establish the Endowments Society (Jam'iyat al-Awqaf) to consolidate endowments in Tunisia. In 1893, the Jewish Charity was founded in the Jewish quarter (al-Harah). In 1905, a Muslim charity followed in Tunis. Other major Tunisian cities followed in its footsteps and founded their own charities.

The first legal text governing those societies or *jam'iyat* dates back to the late 19<sup>th</sup> century when Ali Bey enacted a law to regulate the establishment of scientific, cultural and charitable organizations. This law allowed for the emergence of many societies that still exist to date. However, it imposed numerous restrictions. To establish an association, the founders had to get prior government license, get approvals from the Ministry of Interior and the French General Inspector. In addition, they were prohibited from all political or religious activities within the association.

With the rise of the People's Front in France, a new act on associations was issued on 6 August 1936. The Act included fewer restrictions where rejection became the exception rather than the rule. The founders were required to deposit the articles of association along with the license at the Secretariat General of the Government or the French General Inspector's Office. The government could not reject the establishment of an association unless upon a justified decision maintaining that the said association poses "a threat to moral standards and the existing political system."

Whereas the 1888 Act allowed for the establishment of over 1400 associations in almost half a century, the 1936 Law led to the establishment of 300 associations within 16 months only.<sup>20</sup> Other factors helped give rise to the number of associations, such as demographic growth, the liberation movement which moved still waters, desires to walk in the footsteps of European associations working in Tunisia, and the spread of a cooperative mentality of interdependence within the community.<sup>21</sup>

13 Ibid. PP13 14

14 The almsgiving required of all free Muslims by their faith.

15 State treasury, particularly in the early Islamic Caliphate.

16 Muhammad Al-Tahir Ibn Ashur al-Nidham al-Ijtima'i fil Islam 2006. P 179 – 186

17 Voluntary charity.

18 Ibid.

19 Fayçal El Ghoul , « Les sociétés musulmanes de bienfaisance dans la Tunisie des années 1930 ,» Cahiers de la Méditerranée [En ligne] , 63 | 2001, mis en ligne le 15 octobre 2004, Consulté le 21 octobre 2011. URL : <http://cdlm.revues.org/index11.html>

20 Ibid.

21 Ibid.

It is noteworthy that the basic laws governing Muslim charities which emerged in different Tunisian cities were alike at that period; they all defined the activity scope, goals, and funding resources. Several articles were dedicated to the structure of the governing body and regulated conditions for involvement, membership fees, board election, and work mechanism of the board of directors. Most of these charities were marked by limited capacity in terms of receiving general grants and collecting membership fees. Besides, the acquisition of real estate was subject to royal decrees. For example, those charities received annual grants from the Social Welfare Department and local and regional public groups. French charities were given more support than Tunisian ones which strived to improve their financial status through multiple channels, i.e. fundraising or in-kind donations. Tunisian charities also sought to get a share of endowment returns and placed donation boxes in stores in the capital for daily fundraising.

The scope of involvement for those charities was broad. It included fighting poverty; helping the needy; supporting the society endeavors in that field; providing health services for the sick; providing jobs for the unemployed; and establishing popular restaurants for the poor, students coming from distant towns and market laborers.

The 1930s marked a dramatic turn in the history of Tunisia. It is during that period that philanthropy boomed and many successful charities emerged. Politics and philanthropy went hand in hand. The philanthropic landscape in general created an environment conducive for the national liberation movement and political awareness and vice versa. This eventually culminated in Tunisia's independence in 1956. A new generation of young nationalists struggled for independence.

The 1959 Constitution (Chapter I, Article 8) guaranteed the right to association and assembly. The main Law No. 154 on associations was issued on 7 November 1959, drawing on French Law of 1901 and Tunisian Royal Decree of 1936. It allows "two or more persons to found an association to carry out activities on a permanent basis, as long as its purposes are not commercial and do not include the generation of profit." This definition in the French version is similar to the definition stated in the French Law of 1901.<sup>22</sup>

This law did not differentiate between charities and philanthropic foundations. It organized associations into three different categories: regular association, national welfare associations, and foreign associations, but without any definitions for the first two categories; probably leaving that to the discretion of the administration. This new organization of associations falls within the policy of modernization pursued by the sovereign state, as it resembles the French law. It also came after the breakdown of the traditional structure of charity work and the dissolution of Awqaf Society according to the 18 July 1957 decree. In 1964, Tunisia entered into a period of obscurantism and became a single-party state where the ruling party dominated most recognized associations and monopolized civil work, including philanthropic activities.

The Tunisian Organic Law on Associations No. 25 of 1992 (issued on 2 April 1992) classified associations into: women's groups; sports groups; scientific groups; cultural and arts groups; charity, emergency, and social groups; development groups; amicable groups; and public interest groups. This classification, which did not use the term 'foundation', was later canceled by Decree 88 of 2011 (issued on 24 September 2011) concerning the re-structuring of associations after the Revolution.

### 3. Legal and Organizational Contexts of Tunisian Philanthropy

#### *3.1. Framework of Philanthropy in Tunisia*

The philanthropic structures in Tunisia fall under only two of the categories stated in Law No. 25: development groups and charities, emergency, and social groups; despite the comprehensive nature of public interest groups and given the fact that the other categories also may include charitable grantmaking. There is much confusion regarding those terms at the level of practice and distinctions between them remain vague. The Tunisian Ministry of Social Affairs has adopted a typology for social groups consisting of 7 categories: cooperative groups, family groups, children's groups, disabled groups, health and prevention groups, elderly welfare and development groups.

The Tunisian Union of Social Solidarity or Union Tunisienne de Solidarité Sociale (UTSS) stands out as a model of philanthropic associations falling under the cooperative group category according to the Ministry of Social Affairs. It is a non-governmental organization established as per the Law on Associations in the early years of independence. It operates through a nation-wide network and undertakes most emergency aid activities within Tunisia or as part of Tunisian relief efforts offered to sister countries in time of war and during catastrophes. Being engaged in governmental work, the UTSS has developed into an official body and a state-run national organization.

22 Muhammad Al-Haddar. *Dirasa Hawl Mawarid al-Jam'iyyat: Al-Waqi' wal-Afaq—A Study on the Financial Resources of Philanthropic Foundations: Present and Prospective*. Tunisian Cabinet. Center for Information, Training, Studies, and Documentation on Associations (IFEDA) 2009. P 17.

The UTSS operates on three levels: social development programs, solidarity and social welfare, and self-development and income sources programs. It runs a network of warehouses in which in-kind humanitarian aid donations are stored over an area of 9500 m2 with a capacity of 9000 tons for each material category. In 2008, the UTSS established a new solidarity mechanism: the Charity Bank of Medicine. The Zakat Fund, an affiliate of the UTSS, is run by the independent National Zakat Council which is headed by the Supreme Islamic Council in Tunisia and has a bank account separate from that of the UTSS'. The Zakat Fund has local and regional branches. Development groups, on the other hand, were not clearly defined by the law, but were rather broad and open to divergent competences as the developmental aspect applies to all fields. Chief among organizations in this category is the Tunisian Foundation for Community Development (FTDC) and the Association for the Promotion of Housing and Employment of Tunisia (APEL). The Tunisian Foundation for Community Development (FTDC) is a non-governmental development group established in 1986. It operates throughout the country with special focus on the deprived northwestern region (particularly the governorates of Silyana and Kasserine). The FTDC has been authorized by the Minister of Finance since 1999 to offer microgrants and is accredited by many international bodies. It seeks to achieve socio-economic development for low-income communities, especially in rural and limited-resource areas and to promote the culture of sustainable development and self-dependence.

The foundation pursues different programs in the fields of health, education, literacy, and training, in addition to the protection of water and forest resources. In 2011, it forged a partnership with USAID to establish a regional training center with a capital of 500,000 USD. The aim of the center was to offer practical training to local rural communities in traditional industries, agriculture, and the preservation of water, soil, environment and natural wealth, especially forests. Further cooperation with USAID is expected to execute an integrated development project and another for the evaluation of heritage treasures and promotion of environmental tourism in the rural areas of Siliana.

The Association for the Promotion of Housing and Employment of Tunisia (APEL) aims to help local communities promote themselves and achieve self-development. It operates mainly in the disadvantaged northern and northwestern rural areas of Tunisia. APEL seeks to achieve integrated and sustainable development in Tunisia's poor mountainous regions by defining needs and stakeholders, setting development programs in cooperation with different public and private stakeholders.

Non-governmental organizations operating in Tunisia are a third category. These fall under 'foreign associations' defined in the Tunisian Law on Associations as: "Associations that have the characteristics of Tunisian associations and have their headquarters abroad; those which have their headquarters in Tunisia are also considered foreign if they are 'directed by an executive board of which at least half the members are foreigners' (Article 16). No foreign association may exercise its activities on Tunisian soil, without having prior permission."

Chief among foreign associations is enda Inter-arabe, a member of ENDA Third World (Enda Tiers Monde) seated in Senegal. It was founded in Tunisia in 1990 where its initial activities were mainly ecological projects by western funding. In the 1990s, enda inter-arabe organized a number of international conferences in Tunisia around the same themes as the major UN thematic conferences of that period. In 1993, enda launched an integrated economic and social development program in a poor suburb of Tunis that included outreach services such as vocational training for school drop-outs and raising awareness about health issues for women. In 1995, ENDA began providing microcredit and by 2000, decided to focus almost entirely on providing support to micro-entrepreneurs, essentially through financial services (particularly microcredit) and support to micro-enterprises (training, marketing, advice, etc). In 2005, the Central Bank of Tunisia granted enda 'resident' status which opened up access to loans from Tunisian banks to finance its growth.

Cooperatives are a key component of Tunisian philanthropy. They are associations based on the values of solidarity and mutual social and economic benefit. In Tunisia, they mostly provide occupational hazard insurance covering illness, delivery costs, accidents, and death. Such coverage complements benefits offered by the retirement and social security funds. Cooperatives date back to the early 20th century when the National Tobacco and Fuel Agency Staff Cooperative Society were founded in 1904 and the Cooperative Society for Support of Orphans of Education Sector Staff was founded in 1946. Cooperatives, outnumbering 40, fall into three categories: public sector cooperatives which include ministry cooperatives, quasi-public sector cooperatives which include cooperatives affiliated to public non-administrative institutions, and private sector personnel cooperatives. The cooperative sector includes over 2.8 million members. In 2007, it ran a deficit of over 2.1 million TND, i.e. 1.5 million USD.<sup>23</sup>

23 Annual Report of Cooperative Sectr. Ministry of Finance. Republic of Tunisia 2007

### *3.2. Funding Resources for Philanthropy*

In addition to government funding, the financial resources of philanthropy foundations can be divided into two categories: general and private resources<sup>24</sup>. General resources include self-generated resources, i.e. revenues coming from member subscriptions; income from investments in financial institutions; surplus loan proceeds from loans granted by development groups; returns from activities organized by or products promoted by the foundation; proceeds from rental and licensing of real estate and other properties; in addition to gifts, donations and cash prizes.

Private resources include revenues from services or quasi-commercial activities pursued by some foundations according to applicable laws; provided that the proceeds are not distributed over the members, do not create a form of dishonest competition, nor provide a means for tax evasion. The Tunisian Tax Department distinguishes between regular philanthropic activities that are not subject to direct taxation and commercial activities which must be authorized for taxation purposes. Certain categories of philanthropic foundations (sports groups, scientific groups, cultural and arts groups, etc.) benefit from these private resources. Development groups, namely economic groups, ecological groups and microfinance groups, are particularly concerned with private resources.

Microfinance groups are subject to the provisions of the Organic Law No. 67 of 1999. As at 2008, 32,456 loans have been granted including microcredit and loans to improve living standards by a maximum interest rate of 5%. The Law stipulates that associations must seek prior approval from the Ministry of Finance and secure the financial and human resources necessary to complete its projects, which must coincide with the state's development policy. The resources of such foundations are as follows:

- Receivables from program contracts and partnerships with public institutions and others
- Donations by public and private institutions
- Bilateral and multilateral cooperation funds
- Microcredit refunds
- Investment revenues

The Law on Associations bans associations from obtaining commissions or reimbursements from loan beneficiaries unless otherwise stipulated in the Minister of Finance's decision. However, philanthropic associations may benefit from government support.

To promote philanthropic microfinance, the new law issued in the aftermath of the Revolution offers a differential taxation system:

- Waiver of added values as commissions and micro-loan surplus
- Waiver of registration fees for micro-loans
- Waiver of taxes for commercial bonds to support micro-loans

The Law also transfers taxation privileges from foundations licensed to grant micro-loans to microfinance organizations. This is consequent to the development of the legislative structure of microfinance which became confined to microfinance organizations.

Current applicable laws in Tunisia do not include a clear definition for forms of government support to philanthropy, except for the Law on Associations No. 25 of 1992 (Article 9) which states that associations "receiving public funding on a regular basis are subject to regular financial control and auditing." According to the Decree No. 88 issued after the Revolution concerning associations, "the state must allocate adequate funds to support associations based on competence, projects and activities. Criteria for public funding are set by decree" (Article 36).

This decree bans associations from raising funds to support or finance political parties or independent candidates for national, regional or local elections, without prejudice to the associations' right to express their political views and public stances. This comes within efforts to regulate political money, an issue that strongly surfaced in the aftermath of the Revolution and before elections of the Tunisian National Constituent Assembly.

The magnitude of public funds channeled to philanthropic activities was found difficult to determine due to the lack of an adequate database. Both public grantmaking foundations and associations do not voluntarily disclose their sources of funds and expenditures on a regular basis, which is against the provisions of relative laws. Official

24 See Muhammad Al-Haddar. *Dirasa Hawl Mawarid al-Jam'iyyat: Al-Waqi' wal-Afaq—A Study on the Financial Resources of Philanthropic Foundations: Present and Prospective*. Tunisian Cabinet. IFEDA 2009.



statistics show that public funds granted to associations between 2004 and 2007 surpassed 23.7 million TND (around 18 million USD)<sup>25</sup>.

Government funding of philanthropy comes in the form of in-cash and in-kind grants as well as taxation and financial privileges. Chief among public funders of philanthropy in Tunisia is the NGO Trust Fund set up in 1991 within the Ministry of Planning and Economic Development at the time in cooperation with USAID. The aim of the trust was to contribute to the funding of NGO projects by offering grants representing 30 to 50% of the total cost, with a maximum of 250 thousand TND (around 170 thousand USD).

Tunisian taxation laws offer considerable direct and indirect tax exonerations for microfinance associations. Given that profit sharing is not among the aims of philanthropy, microfinance associations are not liable to the income tax applied to natural persons and companies. Transferred capitals of a given association would be subject to income taxation, similar to interests from bank investments.

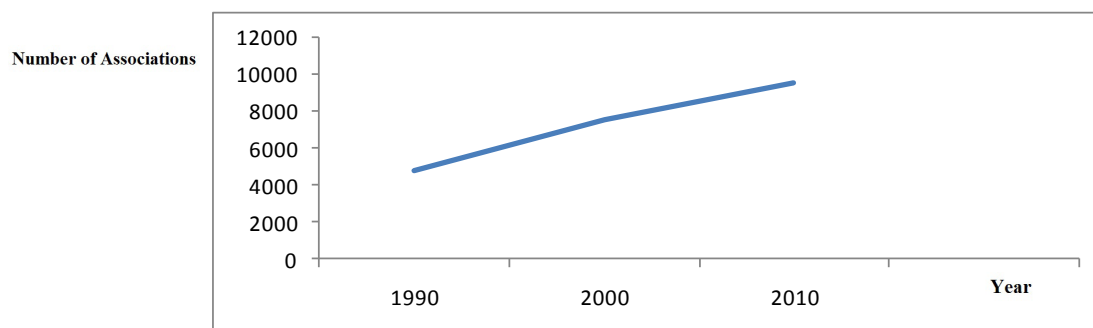
In 1955, custom privileges were notably granted to charities and associations including exemption from custom duties on goods imported to meet the basic needs of targeted groups, provided that these goods are distributed over the beneficiaries for free. These privileges include youth associations, educational groups, arts groups, scientific groups, and sports groups at the discretion of the Minister of Finance.

Given the lack of statistics on private funds, tax laws offer substantial incentives for private institutions which support philanthropic activities. The Income and Corporation Taxes Act applicable since 1990 states that: "grants and aids may be given to public-interest, charitable, voluntary, scientific, social, or cultural groups, provided that they are offered with a maximum of 0.002 of the raw number of transactions." It also states that: "the whole grant value may be offered to community associations or programs upon a decision by the Minister of Finance."

### *3.3. Philanthropic Organizations before the Revolution*

IFEDA<sup>26</sup> (Center for Information, Training, Studies, and Documentation on Associations) statistics show that the number of associations as at 2010 reached 9561, i.e. double the number in 1990.

Figure (1): The Number of Associations in Tunisia from 1990 to 2010



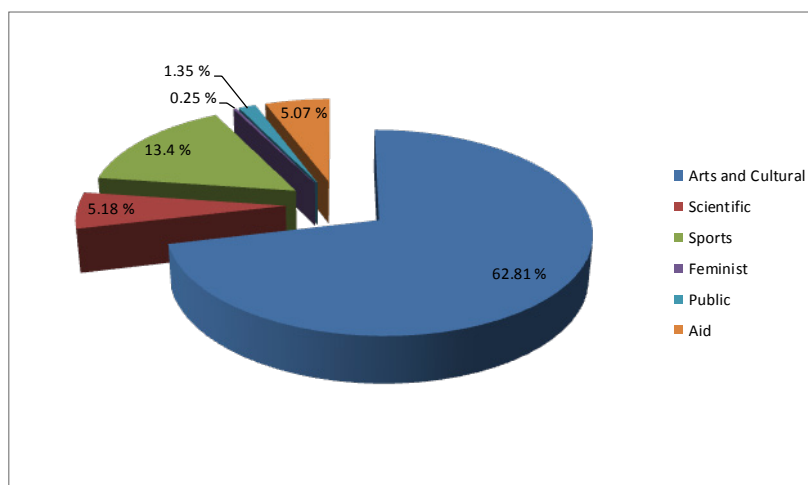
Percentages are classified according to the typology adopted in the 1992 Law on Associations as follows:

- Arts and Cultural Groups: 62.81%
- Scientific Groups: 5.18%
- Sports Groups: 13.40%
- Feminist Groups: 0.25%
- Public Groups: 1.35%
- Charities and Aid Groups: 5.07%
- Development Groups: 5.95%
- Cooperatives: 6.9%

<sup>25</sup> Ibid.

<sup>26</sup> The state-run Center for Information, Training, Studies, and Documentation on Associations (IFEDA)

Figure (2): Categories of Associations in Tunisia as at December 2010



On examining these statistics, we find that the trends of civil society in Tunisia was mainly cultural and artistic and that the percentage of charitable, community and development groups does not exceed 11%. This may be due to:

- State monopoly on community work ever since the independence through the Tunisian Union of Social Solidarity (UTSS), an organization that is subject to the Law on Associations and dominates philanthropic activities. Although an independent body, the UTSS is actually run by the state and the 'former' ruling party in terms of the choice of facilitators and organization of activities. After the Revolution, the UTSS witnessed protests by staff members and its depots "were looted by citizens who used to receive financial and in-kind assistance from the Union," UTSS Director-General Jameleddine Abdellatif told Tunis-Afrique-Presse (TAP) news agency on 26 January 2011, pointing out that "foodstuff, blankets, clothes and other assistance stored in the Union's depots to be distributed to underprivileged families were ransacked."
- State monopoly on donations under the former regime, as they were channeled to the National Solidarity Fund (also known as the 26-26 Fund after its postal account number or as FSN<sup>27</sup>). FSN is a public-service institution affiliated to the President of the Republic and aims at fighting poverty by promoting disadvantaged areas (often referred to as «shadow areas»). It is funded essentially by donations from Tunisian citizens and private companies that were received at public and private institutions, schools and universities on 8 December of every year (now known as the National Solidarity Day).
- Absence of an institutional system as no family, private or public associations existed in Tunisia ever since the independence, unlike other world countries.
- Lack of incentives to establish Islamic charities, which comes in line with efforts by the post-independence political regime to fight structures that may shelter "extremist activities." That trend was nurtured by western campaigns to combat "terror financing." Some Arab cable channels have called for barring Zakat beneficiaries from using it as a mechanism to disguise and enable support for terrorist acts.
- Leaving the establishment of associations to the discretion of the Ministry of Interior has stressed the margin of initiative under complete political obscurantism and an outdated regime of centralized governance.
- The rise of individualism and selfhood at the expense of social solidarity due to the rapid pace of social changes, economic woes, in addition to the identity problem especially in underprivileged communities.

## 4. The Tunisian Philanthropic Landscape Post Ben Ali

### 4.1. The Political, Social and Economic Scope

On January 14, 2011, youth-led protests toppled the Tunisian government and ushered in the "Arab Spring" which swept other Arab countries. This unexpected wave of outrage, which achieved what seemed to be a far-fetched dream, was the culmination of earlier waves.<sup>28</sup>

<sup>27</sup> The postal account number of the National Solidarity Fund whose activities were frozen after the Revolution.

<sup>28</sup> In 2006, in the coastal town of Soliman, south of Tunis, armed clashes took place between security forces and a group of young men said to be linked to extremist groups. Many believe that the Soliman incident reflected shattered hopes for reform. The year 2008 was marked by the Revolt of the Gafsa Mining Basin. The social mobilizations which shook this poor area, located close to the Algerian border, represent a youth-led uprising that was unable to grow, but it signaled an upcoming tide.

The Tunisian Revolution was launched from deprived underprivileged areas<sup>29</sup>. It was an inevitable consequence of repeated failures in over half a century, which led to increased rates of unemployment, social exclusion, and inequality; political obscurantism; crackdown on freedoms; provocatively open corruption; broader scale of marginalization; and a common feeling of despair. Youth have been the primary victim in this deteriorating climate.

The Tunisian Revolution was marked by spontaneity and young spirit. It had no political or ideological purposes and no leader. Its basic demands were employment, dignity and freedom. Its weapon was modern communication technology. Besides the streets and squares, its battlefield was social Internet networks which overcame censorship and media blackout. At its zenith, the Tunisian uprising received support from elite advocates, syndicators and opposition parties which were dazzled by the final outcome; and it was the youth who paid for it in blood.

Many factors played a role in fomenting and sustaining the uprising, but economic hardships were particularly pivotal. However, development has taken the backseat and politics was placed high on top of the elite's priorities after the downfall of the regime. But demands persisted chaotically at times, more quietly at others. Growth rates diminished, local and external investments declined, unemployment and poverty increased, prices of staple products went up and services deteriorated, a high level of insecurity prevailed, tension erupted at the Tunisian-Libyan borders, and inappropriate social behaviors appeared in the community. Yet, Tunisia was able to hold its first ever free, fair and transparent elections to form the Constitutional Council that would draft the new constitution and manage the country during the interim period. Critical political and developmental issues have been opened for serious discussions as of the end of 2011.

A philanthropic boom has enveloped Tunisia after the toppling of the regime and ouster of the Tunisian President on January 14, 2011. This was manifested in the great surge of solidarity shown during the security breakdown which afflicted the country's streets. Spontaneous popular committees were formed to protect neighborhoods. This coincided with fund-raising campaigns to collect donations and foodstuffs for those who lost their source of living or whose work has been affected by the deteriorating security conditions.

Unorganized philanthropy continued after the wave of refugees who fled unrest in Libya into the Libyan-Tunisian borders. The locals offered refugees shelter, medical treatment, food and education with the support of international bodies, such as the United Nations High Commissioner for Refugees (UNHCR) and the Red Crescent, and local voluntary groups formed for that purpose. The Revolution has given great impetus to the spirit of solidarity, volunteerism and giving and paved the way for numerous associations to operate freely. After long years of crackdown on religious activities which are not under state control, the number of religious charitable associations increased. Religious occasions and festivities such as the holy month of Ramadan and Bairams were a perfect chance for philanthropic practices. Philanthropy played a momentous role in areas afflicted by rain floods last fall.

Local development groups figured prominently to serve deprived remote areas in the aftermath of the Revolution which was originally sparked by imbalance of development, social injustice, and spread of corruption. Besides the philanthropic drive, these groups also aimed at promoting citizenship and participation. Some Tunisian businessmen living abroad founded associations to promote local development and improve living standards in Tunisia.<sup>30</sup>

The flourishing of civil society organizations during the transitional period has led some western countries and many NGOs to partner and support them.<sup>31</sup> The transitional period has strongly affected the work of many associations which were closely connected to the former regime, especially those associated with ministries and public institutions. The activities of the National Solidarity Fund—the official public body which benefited from donations—were frozen due to suspected misuse of resources. A new Law on Associations was enacted to allow more freedoms and limit state intervention. It also regulates the relationship between associations and political parties and bans them from sheltering political money. Another law was also issued for association microfinance.

29 Protests broke out in the town of Sidi Bouzid, then moved to other parts along the western Tunisian strip which is the poorest despite its natural and human resources, such as Kasserine.

30 Such as the Dignity, Development and Democracy (DDD) Organization established in Brussels in March 2011 by the initiative of Tunisian businessmen living in Tunisia and abroad.

31 Besides political associations, especially democracy watchdogs which monitored elections; the French Embassy in Tunis co-hosted the First Tunisian-French Civil Society Forum with the Tunisian associations "Sawty," "Amal," "enda Inter-Arabe" and the associative network Randet. Also, the British Embassy nurtured newly established associations. A web portal for associations ([www.Jam3ity.org](http://www.Jam3ity.org)) was officially launched upon the initiative of the British Council in Tunis in partnership with the Global Change Makers and the Euro-Mediterranean Human Rights Network Tunisian team. The portal aims to promote the Tunisian civil society by developing a digital communication network for Tunisian associations.

#### 4.2. Development in Numbers, Categories and Geographical Distribution

From January to end-September 2011, 1044 new associations were established in Tunisia all subject to the 1992 Law on Associations, given that the new Law on Associations was issued end of September 2011. This strikes a record considering the annual rate of associations in the past 20 years which never exceeded 220 associations annually. This rate has declined substantially in the past 5 years, reaching 82 in 2010 and 148 in 2009.

These associations may be classified as follows: 453 cultural and arts groups, 182 charitable and social groups, 129 development groups, 144 advocacy and citizenship groups, 63 cooperatives, 58 sports groups, and 15 feminist groups.

Figure (3): Development of Annual Number of Associations in Tunisia from 2007 to 2010

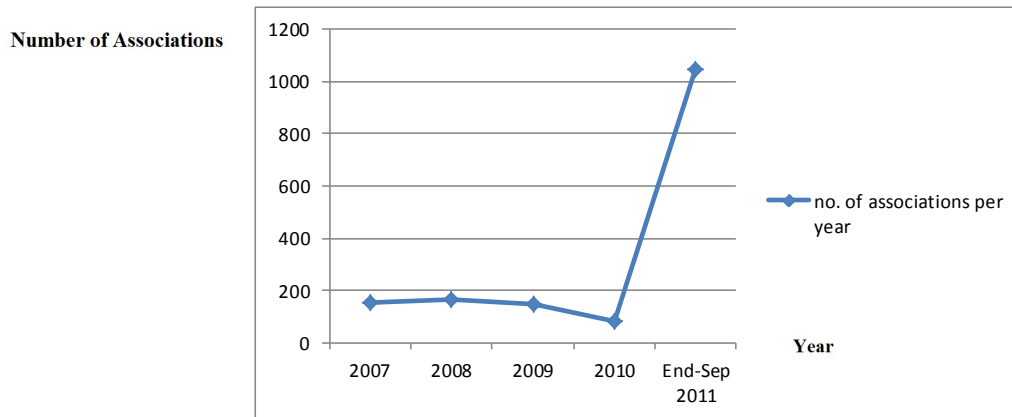
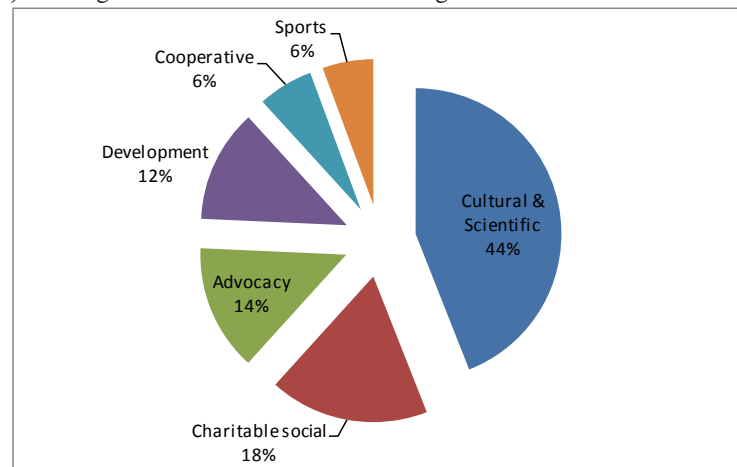


Figure (4): Categories of Associations during the Transitional Period in Tunisia



This classification shows that cultural, arts and scientific groups still lead the philanthropic landscape in Tunisia. Charitable, aid and community groups have made remarkable progress as they came in second place. Associations which are active in citizenship issues, social rights, political rights, economic rights and public freedoms, as well as development groups have flourished at the expense of sports groups. This relates to the transitional period which increased public concern after a period of political obscurantism under the former regime. It also relates to the social demands stirred by the Revolution and the major economic decline in the country.

On looking at the geographic distribution of associations in Tunisia during the transitional period, it was found that they are located mainly in Grand Tunis which includes the capital and neighboring governorates (over 41%); then in the south-eastern region which includes Sfax, the second major governorate in Tunisia (over 19.6%); then the coastal region (over 16.5%).

Although the number of associations is more in economically privileged areas, namely the capital and the coast, the year 2011 witnessed a substantial increase in newly established associations in deprived areas, the bedrock of the Tunisian Revolution, namely the mid-west which includes the Governorate of Sidi Bouzid, the north-west region, and the south-west region. It is noticeable that community and charitable associations are densely located in major cities and villages. Coordination networks have also been established in Jerba Island in southern Tunisia, Ben Guerdane at the Tunisian-Libyan borders and other areas.

### 4.3. *Tunisian Philanthropy in the Transitional Period*

Charitable associations established after the Revolution have a remarkable Islamic orientation which appears in their names. Their mission statements are usually Quranic verses or hadiths (sayings of the Prophet Mohammad) that call for solidarity, cooperation and love among Muslims and the entire humanity. Their activities merge charitable cooperativeness with religious awareness-raising with the aim of promoting the culture and teachings of Islam. Some associations are actively engaged in da'wah (invitation to Islam) and preaching by organizing forums and classes at their headquarters, cultural institutions or in mosques featuring ulama from Tunisia and beyond.

Other associations either join networks by launching joint programs and initiatives, or introduce themselves on Internet social networks (Facebook, Twitter, etc). For example, the Association Nour Walegh Djerba page links to other associations such as Al-Mawedda, Al-Ihsan, and ISR-ASSO (Initiative and Self-Reliance Association). Networking among charities extends beyond Tunisian borders; the Tunisian Islamic Al-Khayr Charity, for example, is associated with Al-Mahabba Fillah Group which designed the Tunisian charity's logo for free. Several charities fund their activities from Zakat and sadaqat money and use farming seasons and religious occasions to raise funds. They address the religious conscience of Muslims through their social media pages, calling them to donate. Some charities receive donations in mosques; others use the "electronic sadaqa" mode<sup>32</sup>.

Islamic finance was brought into the limelight after the Revolution. On 28 February 2011, the Tunisian Association of Islamic Finance was established. It is described by its officials as "a scientific non-profit association concerned with scientific research on Islamic finance and seeks to educate field experts and train those interested in Islamic finance." The association believes that establishing a Zakat association and promoting Islamic finance products, such as Islamic bonds, would secure large funds to address social problems<sup>33</sup>.

Throughout 2011, these charities intensified their activities on religious occasions, especially the holy month of Ramadan and Greater Bairam. Religious charity activities increased even more during the Libyan Revolution where great numbers of Libyans and foreign workers fled the violent clashes.

Most charities stress their neutral stance and refrain from political involvement, maintaining that politics corrupts philanthropy whose aim is to please God and serve noble human values. Yet, philanthropic interest in politics surfaced as some post-Revolution charities offered their open support to certain political parties, indirect support by calling to vote for Islam, or posted links to some parties on their Facebook pages.

Such committed emphasis on gearing philanthropic efforts to charity in pursuit of God's blessing is a reaction to former social policies which were considered to serve the purposes of the ruling regime and to subject poor communities to the power of the state. After the Revolution, several charities took their philanthropic efforts beyond Tunisian borders to Muslim areas afflicted with famine, such as Somalia, a duty springing from human solidarity and Islamic charity.

Major philanthropic activities in Tunisia during the transitional period may be classified into ongoing activities and emergency activities. The aim of ongoing activities is to offer regular aid, sponsor needy orphans and widows, and help integrate unemployed people into the labor market or curb unemployment rates. Emergency activities are conducted in times of catastrophe, natural disasters (fall floods) or crisis such as the great number of refugees who fled to Tunisia during the Libyan Revolution. Many charities own warehouses for storing foodstuffs, blankets and basic relief items. Charity caravans are also dispatched to remote deprived areas. The presented relief material comes from philanthropist contributions and alms, in addition to grants from the Ministry of Social Affairs.

Some economic institutions, business enterprises and communication corporations sponsor charitable activities through their product marketing campaigns where part of the proceeds are directed toward philanthropic activities.<sup>34</sup>

32 For example, the Tunisian Dar ElKhair Association defined this kind of sadaqah (voluntary charity) on its facebook page drawing on a Saudi e-charity website ([www.esadaqa.org](http://www.esadaqa.org)) that aims to "train charities on resource development within KSA." The website defines "hidden sadaqah" or "secret sadaqah" and takes "offer charity for the sake of Allah" as its logo statement.

33 The Association holds that a comparative study conducted on zakah in six Arab Islamic countries shows that zakah practices differ from one country to another. In Sudan, zakah money which directly deducted from high salaries amount to 2% of Sudan's domestic product. Studies held in Egypt have shown that 17 billion Egyptian Pound (EGP) (around 3.4 million TND) may be collected from zakah money. However, no studies have been conducted in Tunisia in this regard.

34 A case in point is Tunisie Telecom which launched the "Chain of Support" initiative during the holy month of Ramadan 2011 by contributing 20 millimes for each purchase of a new mobile phone, recharge or bill payment operation without deducting the said amount from the client's credit. The proceeds, which exceeded 1 million TND (around 700,000 USD) were used as a charity fund distributed over 14 philanthropic foundations: L'association Aoufia (Fidèles) for those martyred or injured during the Revolution, Association d'Assistance aux Grands Handi capés a Domicile, SOS Children's Villages in Tunisia, National Institute of child protection, Sebil Association for Child and Mother, Amal Childhood and Family Association, Children of the Moon Association, Isma'ny Association for Public Hospital Patients, the Red Crescent Office in Dehiba, Tataouine; 24 elder care associations; the Tunisian Family Support Association, Saqf lil-Jami' Association, Mashreq' Shams Association, and the Tunisian Union for Parents with Mentally Disabled Children (Mala'ika).



However, although important, these initiatives have been subject to criticism and accusations of commercial benefit dressed up in philanthropic disguise<sup>35</sup>. Regardless of the validity or invalidity of these claims, such stances reflect the controversies of corporate philanthropy where there is a standing risk of using charity initiatives to achieve certain financial or publicity gains. Same is the case with tax exemption which could be a target per se whereas it is an incentive for securing funds for philanthropy which is a guarantee for social stability and equality.

Equally important are new development associations. They have the following properties:

- Most of them do not disclose their religious drive as many other charities.
- They are concentrated in large villages and internal cities. A great number of them emerged in the firing points of the Tunisian Revolution, namely Sidi Bouzid and Kasserine.
- They are small associations seeking to contribute to developmental projects within the local communities in which they operate.
- They are run by the local elite, i.e. university professors, doctors, lawyers, employees and university students.
- They secure funds from self-efforts or through cooperation agreements with banks and economic institutions.
- Several associations were established to operate on unemployment, especially in deprived areas which were underprivileged before and even after the Revolution.
- Most of these associations are headquartered in concerned areas. A number of them have their headquarters in the capital, although their field of operation is internal areas.
- Some associations take upon themselves hard missions in reaction to the marginalization of civil society in internal areas in the past.
- Some associations emerged during the transitional period, where they established cooperation relations with banks and economic institutions to develop major initiatives and projects in deprived areas.
- A number of development associations join local networks that raise support and unite efforts to achieve their goals more effectively. A case in point is what happened in Kasserine, one of the areas which sparked the Revolution.

## 5. Conclusion

Philanthropy is an established tradition in Tunisia, like all Arab countries. However, studies on the subject are scarce. Also, research literature suffers from obscure concepts and fundamentally disparate references for outlining the parameters of philanthropy. Most research studies and statistical analyses either draw on legal sources, or resort to cultural and social definitions springing from mainstream community concepts.

The term 'foundation' is usually associated with an organization that is engaged in philanthropic practices. However, the definition and use of the term differs from one country to another. The Western concept of charities is different from the concept of associations in Tunisia. According to the French Act of 23 July 1987, the European charity system resembles the Islamic Waqf. Hence, this study suggests a procedural definition for philanthropy: legally recognized voluntary action for the mobilization of energies and financial resources to be used in projects and initiatives that aim to address people's problems at all levels, help those with special needs, and build capacities. The ultimate goal is public good and fair and comprehensive development.

Philanthropic giving is an established tradition in Tunisian society, manifested in civil and voluntary associations and Sufi zawaya. The first law on associations was issued in the late 19th century. It allowed for the emergence of many associations that still exist to date. The scope of their involvement included fighting poverty; helping the needy; supporting the Endowments Foundation's endeavors in that field; providing health services for the sick; providing jobs for the unemployed; and establishing popular restaurants for the poor, for students coming from distant cities and for market laborers.

The 1959 Constitution guaranteed the right to association and assembly. The main Law No. 154 on associations was issued on 7 November 1959, drawing on French Law of 1901 and Tunisian Royal Decree of 1936. This law did not classify charities and philanthropic foundations. It organized associations into three different categories: regular association, national welfare associations, and foreign associations. The Tunisian Organic Law on Associations No. 25 of 1992 classified

35 A case in point is the "Give me my bus" initiative, an agreement between the Ministry of Education and l'Epi D'Or pasta company to provide buses to take children in remote rural areas to their schools. A huge media campaign was launched during the holy month of Ramadan 2011 which is marked by higher consumption of pasta. As the outcome of the initiative was not announced, some newspapers fiercely attacked the company and accused it of using charity money to its profit based endeavors. According to the classification of the Tunisian Organic Law on Associations of 1992, noting that the new law on associations was enacted in September 2011 in the aftermath of the Revolution. In addition to endowments traditionally known since the time of the Prophet Muhammad (pbuh).

associations into: women's groups; sports groups; scientific groups; cultural and arts groups; charity, emergency, and social groups; development groups; amicable groups; and public interest groups. This classification, which did not use the term 'foundation', was canceled by Decree 88 of 2011 concerning the re-structuring of associations after the Revolution.

Philanthropic structures in Tunisia fall under only two of the categories stated in Law No. 25: development groups and charity, emergency, and social groups; despite the comprehensive nature of public interest groups and given the fact that also the other categories may include charitable grantmaking. The financial resources of Tunisian philanthropy are either regular resources or private resources. Regular resources include grants, gifts, donations, returns from activities, income from investments in financial institutions, and proceeds from rental and licensing of real estate and other properties. Private resources include revenues from services and quasi-commercial activities or micro-loan surplus as per applicable laws.

Current applicable laws in Tunisia do not include a clear definition for forms of government support to philanthropy, which comes in the form of in-cash and in-kind grants as well as taxation and financial privileges. Tunisian taxation laws offer considerable direct and indirect tax exonerations for associations. In 1955, custom privileges were notably granted to charities and cooperatives including exemption from some custom duties. According to the Decree No. 88 issued after the Revolution concerning associations, the state must allocate adequate funds to support associations based on competence, projects and activities. Criteria for public funding are set by decree. The decree bans associations from raising funds to support or finance political parties or independent candidates for national, regional or local elections.

Given the lack of statistics on private funds, tax laws offer substantial incentives for private institutions which support philanthropic activities.

Trends of philanthropic work in Tunisia are mainly cultural and artistic and that the percentage of charitable, community and development groups does not exceed 11%. This may be due to state monopoly on community work and donations ever since the independence, absence of an institutional system, lack of incentives to establish Islamic charities, leaving the establishment of associations to the discretion of the Ministry of Interior, and the rise of individualism and selfhood at the expense of social solidarity.

A philanthropic boom has enveloped Tunisia after the toppling of the regime and ouster of the Tunisian President on January 14, 2011. This was manifested in the great surge of solidarity shown during the security breakdown which afflicted the country's streets. Spontaneous popular committees were formed to protect neighborhoods. Unorganized philanthropy continued after the wave of refugees who fled unrest in Libya into the Libyan-Tunisian borders.

Local development groups figured prominently to serve deprived remote areas in the aftermath of the Revolution which was originally sparked by imbalance of development, social injustice, and spread of corruption. The transitional period has strongly affected the work of many associations which were closely connected to the former regime, especially those associated with ministries and public institutions.

During the first ten months of 2011, 1044 new associations were established in Tunisia, all subject to the 1992 Law on Associations, given that the new Law on Associations was issued end of September 2011. This strikes a record considering the annual rate of associations in the past 20 years. Cultural, arts and scientific groups still lead the philanthropic landscape in Tunisia. Charitable, aid and community groups have made remarkable progress as they come in second place. Although the number of associations is more in economically privileged areas, namely the capital and the coast, the year 2011 witnessed a substantial increase in newly established associations in deprived areas. Community and charitable associations are densely located in major cities and villages.

Charitable associations established after the Revolution have a remarkable Islamic orientation. Their activities merge charitable cooperativeness with religious awareness-raising with the aim of promoting the culture and teachings of Islam. Some associations either join networks by launching joint programs and initiatives, or introduce themselves on the Internet and social networks (Facebook, Twitter, etc). Several charities fund their activities from Zakat and sadaqat money. Some charities receive donations in mosques; others use the "electronic sadaqa" mode. Islamic finance and its new products (such as Islamic finance bonds) were brought into the limelight after the Revolution.

Most charities stress their neutral stance and refrain from political involvement, maintain that politics corrupts philanthropy whose aim is to please God and serve noble human values. Yet, philanthropic interest in politics surfaced as some post-Revolution charities offer their open support to certain political parties, indirect support by calling to vote for Islam.

After the Revolution, several charities took their philanthropic efforts beyond Tunisian borders to Muslim areas afflicted with famine, such as Somalia, a duty springing from human solidarity and Islamic charity.

Some economic institutions, business enterprises and communication corporations sponsor charitable activities through their product marketing campaigns where part of the proceeds are directed toward philanthropic activities. However, although important, these initiatives have been subject to criticism and accusations of commercial benefit dressed up in philanthropic disguise.

New development associations are equally important in the philanthropic landscape. They do not disclose their religious drive as many other charities. They are small associations run by the local elite and operate mainly in large villages and internal cities. These associations seek to contribute to developmental projects within the local communities in which they operate. They secure funds from self-efforts or through cooperation agreements with banks and economic institutions.

The Revolution has created opportunities for philanthropic giving and widened the scope of civic engagement. A new civil society is emerging, which requires a democratic environment and a new republic based on equality, freedom and justice. This would create a backbone for social coherence that stands aloof from political and ideological interferences.

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Ahmed Salah Eldin is an independent researcher who graduated from the Faculty of Law, Cairo University in 2007. He published several researches on civil society and democratic transition in Egypt and the MENA region. He has 8 years of experience in the fields of civil society and social development in Egypt and the MENA region where he worked for several local and international organizations. In Libya, Salah Eldin worked for more than a year and a half with two international organizations; in addition to his work with the Humanitarian Forum as a country director. He then moved to another international organization called ACTED as a program manager at the European Union's Civil Initiative to build the capacity of Libyan CSOs. Having acquired a significant field experience; Salah El din worked on writing several articles and researches to transform his experience into academic research. Currently, Salah Eldin works as Asia Program Coordinator at the Qatari Red Crescent. He is also one of the founders of Messaha, a foundation that aims at supporting youth groups and their initiatives; in addition to enhancing the skills of youth activists.

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Almongi Zidi is a Professor of Anthropology and Sociology, at the University of Tunis, Tunisia. He has written extensively on youth activism and social change in the Arab region. His published books include *Thaqafit Al Share* (2007) and *Al Dekhoul Ela Al Hayah* (2005). His research focus has been on youth activism and social change. Zidi has also been an active participant in various activities carried out by Anna Lindh Foundation, the Islamic Educational, Scientific and Cultural Organization (ISESCO), UNESCO, the League of Arab States and the American University in Cairo.

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Mahi Khallaf is a senior officer at CIVICUS: World Alliance for Civil Participation and a consultant at the John D. Gerhart Center for Philanthropy and Civic Engagement. Khallaf has also done some consulting work for several other organizations, including the Aga Khan Foundation, the United States Agency for International Development (USAID), and the Egyptian Center for Development Services (CDS). She has designed training workshops for NGO development practitioners, developed handbooks on advocacy issues for Egyptian NGOs and worked on setting up a country-wide system for monitoring and evaluating the activities of civil society. Khallaf has researched and published on civil society in Egypt, the Middle East and internationally. She holds a BA in Political Science from the American University in Cairo and an MA in International Relations from Carleton University's Norman Patterson School of International Affairs.

### Naila Taji Farouky

With over 15 years' experience in Media Production, Project Management and Strategic Communication, Naila Farouky has built an award-winning career across several continents. During her 14-year tenure at Sesame Workshop – the company responsible for the children's TV series, *Sesame Street* - Farouky was responsible for managing the production and overall creative aspects of Sesame Workshop's television co-productions in 17 countries. As the Assistant Vice President and Senior Project Director for Africa, Farouky oversaw all projects on the African continent and was responsible for developing sustainable models of funding, production and overall project development in her Africa portfolio, as well as new project developments across. More recently, since moving back to post-revolution Egypt, Farouky helped launch the noteworthy online and print monthly magazine, *Midan Masr* ([www.midanmasr.com/en](http://www.midanmasr.com/en)) and served as its Head of Online and Social Media; as well serving as a Media and Communications Strategies consultant, providing expertise on a wide range of projects. Farouky grew up mostly in Cairo, Egypt, and has lived in Kenya, Jordan, Switzerland and South Africa. She holds a Bachelor of Arts in Psychology from the American University in Cairo. Until recently, Farouky resided in New York City and Washington, D.C.

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Sherine N. El Taraboulsi is Projects Manager at the Regional Partnership on Culture and Development, FHI 360; a program that produces and disseminates applied research on development in the Arab region with a focus on democracy and governance, natural resource management and youth. Prior to this, she launched a research program at the John D. Gerhart Center for Philanthropy and Civic Engagement, the American University in Cairo (AUC) where she led a number of regional research projects. She has also served as Research Consultant

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